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JANUARY 1985 MONTHLY REPORT

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Surveys of Consumer Attitudes

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WIDESPREAD PRICE DISCOUNTS BOOST SENTIMENT

- In the January 1985 survey, the Index of Consumer Sentiment was 96.0, up from 92.9 in December, but below the 1984 average of 97.5. Although the January 1985 reading is below the 100.1 recorded one year earlier, it nonetheless remains 25 Index points above the two and three year earlier readings. The recent improvement was due to more favorable perceptions of market prices for durables.
- Among families with incomes of \$25,000 or more, the Index stood at 106.7 in January 1985, up from 100.1 in December, but below the year earlier reading of 114.2.
- Consumers have optimistic expectations for the proposed simplification in personal income tax codes. Among all families in the January 1985 survey, 41 percent expected congressional approval of some tax reform measure, close to the 49 percent that did not expect passage. Moreover, most families expected that the tax reform proposal, if passed, would not result in any overall difference in their financial situation.
- Confidence in government economic policies to reduce inflation and unemployment reached a new peak favorable level in January. Among all families, twice as many gave favorable rather than unfavorable ratings—34 versus 16 percent.
- In the January 1985 survey, the personal financial situation of American families remained at very favorable levels due to sustained income growth and continued low rates of inflation. Among all families, 42 percent reported an improved financial situation compared with a year earlier, and 35 percent expected improvement during the year ahead. Just 11 percent of all families expected a worsening financial situation during the year ahead.
- A resurgence in reports of the availability of price discounts on large household durables was recorded in January. Among all families, 45 percent reported the availability of price discounts, which ties the all-time record first reached in January 1984. More favorable references to car prices helped to improve attitudes toward car buying as well.
- Home buying attitudes regained ground lost in mid 1984, largely due to more favorable perceptions of current interest rates. The availability of reduced mortgage rates was mentioned by 42 percent of all families, up from 32 percent one month earlier, and 21 percent in mid 1984. Lower interest rates also promoted more favorable car buying attitudes.

Widespread reports of price discounts and declines in interest rates have reinvigorated consumer buying attitudes. The financial situation of American families was maintained at very favorable levels in the January survey, and financial prospects for the year ahead were not affected by their expectations about the proposed tax reforms.

Tax Simplification

In the January 1985 survey, respondents were asked whether they expected Congress to adopt reforms in the personal income tax codes, so as to eliminate deductions and lower tax rates. Among all families, 41 percent expected passage of this tax reform legislation, compared with 49 percent that did not expect passage. Respondents were also asked whether they expected to be personally better or worse off financially if Congress did enact this type of tax reform. The majority of families (58 percent) expected this type of simplification in the tax law to have no net effect on their financial situation (Table A). An improved personal financial situation was expected by only 19 percent of all families, just above the 18 percent that expected a worsened financial situation as a result of the tax reform. Interestingly, among families that expected passage, the tax reform legislation was somewhat more frequently viewed as having a negative impact on family finances than among those that did not expect passage—23 versus 14 percent (Table B).

Confidence in government economic policies to reduce inflation and unemployment reached a new record favorable level in the January 1985 survey. Among all families, 34 percent favorably rated government economic policies, just over twice the 16 percent that gave unfavorable ratings. This represents the best balance of opinion in more than a decade.

Personal Finances

Consumers evaluations of their personal financial situation remained at very favorable levels in the January 1985 survey. In both the January 1985 and January 1984 surveys, 42 percent of all families reported being better off financially compared with one year earlier. Reports of worsening finances were made by 23 percent of all families in January 1985, just below the 25 percent recorded one year earlier. The year long strength in personal finances has been due to more favorable income trends, as well as continued low rates of inflation. In January 1985, 33 percent reported gains in family income, just above the 31 percent recorded one year earlier, while reports of income declines fell to 14 percent in January 1985 from 17 percent one year earlier.

Prospects for personal finances during the year ahead also remained at favorable levels. Among all families in the January 1985 survey, 35 percent expected improvement in their financial situation during the year ahead, just below the 38 percent in January 1984. Only 11 percent of all families in the January survey expected a worsening financial situation during the year ahead, up from 9 percent one year earlier. At the start of 1985, the majority of consumers (52 percent) expected their current financial situation to remain unchanged on balance during the year ahead.

On average, consumers expected an annual inflation rate of 4.1% in the January 1985 survey, down from 4.8% one month earlier, and below the 4.6% recorded one year earlier. In the January 1985 survey, only 17 percent of all families expected an inflation rate of 6% or more, down from 22 percent one year earlier.

***Price Discounts on Durables
Attract Buyers***

Favorable perceptions of market prices for household durables have kept buying attitudes at very favorable levels throughout the past year. Among all families in the January 1985 survey, 73 percent favorably rated buying conditions for durables, up from 67 percent in December, and equal to the year earlier reading. Although the January 1985 reading does represent a decline from the Spring 1984 peak, the decline has been very small (from 77 to 73 percent). When asked to explain their views on current buying conditions, 45 percent of all families in the January 1985 survey mentioned the availability of price discounts on large household durables, up from 32 percent in December, and equal to the all-time peak first recorded one year earlier. Just 10 percent of all families in both the January 1985 and January 1984 surveys registered complaints about rising durable prices. Such favorable perceptions of market prices for household durables have not dominated consumer evaluations to this extent in more than 20 years.

Attitudes toward buying conditions for cars have been maintained at very favorable levels. Favorable car buying attitudes were held by 62 percent of all families in the January

1985 survey, up from 55 percent in December, but below the 64 percent recorded one year earlier. The small recent gain as well as the modest year-to-year decline were due to changing perceptions of market prices for vehicles. References to the availability of price discounts rose to 24 percent in January from 18 percent in December, but remained just below the 26 percent recorded one year earlier. Unfavorable references to high car prices were reported by 21 percent of all families in January, down from 24 percent in December, and above the 16 percent recorded one year earlier. Only 13 percent of all families in the January 1985 survey mentioned buy-in-advance price rationales, when questioned about market conditions for vehicles. In comparison, at the cyclical peak in the late 1970s, references to advance buying rose to a high of 43 percent. Given this shift in perceptions of price trends, greater resistance to rising prices can be expected, as well as an increased focus on comparative price shopping.

***Interest Rate Declines
Encourage Home Buying***

The January survey continued the late 1984 trend toward improvement in home buying attitudes. Among all families, 61 percent favorably rated home buying conditions in the January 1985 survey, up from 54 percent in December, and above the year earlier reading of 59 percent. When asked to explain their views on home buying conditions, 42 percent mentioned the availability of reduced mortgage interest rates in January 1985, up from 32 percent in December, and twice the mid 1984 low of 21 percent (Table C). In addition, the appeal of borrowing-in-advance of rising interest rates has greatly diminished, falling from a high of 23 percent in early 1984 to 7 percent by the start of 1985.

How consumers evaluate trends in buying conditions for homes has undergone a fundamental shift during the past several years. The pace and breadth of the housing boom of the late 70s was propelled by expected future price increases. In that environment, sharp rises in housing prices only reinforced the appeal of advance buying. At that time, purchase timing was dominated by price expectations. At the current time, purchase timing has become more sensitive to trends in interest rates rather than prices. Although reactions to rising

interest rates and tight credit conditions have repeatedly caused declines during past cycles, only since 1980 have interest rate declines greatly stimulated favorable buying attitudes, and expected interest rate increases stimulated borrowing-in-advance rationales.

Interest rate expectations improved considerably during the past nine months, but remain less favorable than at the start of 1984. In the January 1985 survey, 36 percent of all families expected interest rates to increase during the year ahead, down from 68 percent nine months earlier, but still not as low as the year earlier reading of 32 percent. Declines in interest rates were expected by 28 percent of all families in the January 1985 survey, an improvement over the year earlier reading of 22 percent.

Diminished but Favorable Prospects for Economy

The proportion of families that thought that economic conditions in the country as a whole had improved during the past year fell to 57 percent in the January 1985 survey, from 63 percent one month earlier, and the all-time peak of 75 percent recorded one year earlier. This represents the fewest number of families to report improvement in the aggregate economy in nearly two years. Continued improvement in the economy during the year ahead was expected by 25 percent of all families in the January 1985 survey, down from 33 percent one month earlier and 46 percent one year earlier. This represents the lowest proportion of consumers to expect improved aggregate conditions in more than two years. When combined, the proportion of respondents that reported both improvement during the past year and expected improvement during the year ahead fell to 21 percent in the January 1985 survey, from 41 percent one year earlier. Although prospects for continued improvement in the economy have greatly weakened, actual economic reversals are still not widely expected. During the past year, the proportion of families that expected worsening conditions in the economy as a whole only rose to 15 from 9 percent. The majority of consumers expected conditions in the national economy to remain unchanged—55 percent in January 1985, up from 43 percent one year earlier.

The expected slowdown in economic growth has been accompanied by less favorable

unemployment expectations. In the January 1985 survey, 20 percent of all families expected unemployment to increase during the year ahead, down from 36 percent at the start of 1984. Increases in the unemployment rate were expected by 25 percent of all families in January 1985, up from 14 percent one year earlier. In January 1985, as they have throughout most of the past year, the majority of consumers expected the aggregate unemployment rate to remain largely unchanged at its current level.

Although the pace of economic growth was expected to slow, the majority of consumers still expected good times financially in both the near and longer terms. Among all families, 63 percent in the January survey expected good times financially in the economy as a whole during the next 12 months, up from 59 percent one month earlier, but below the 73 percent recorded one year earlier. Even less erosion was recorded in the long term outlook. Among all families, 45 percent in the January survey expected good times financially in the economy as a whole over the longer term, up from 39 percent in December, and just below the 44 percent recorded in January 1984.

* * *

The January 1985 survey included 640 completed interviews, conducted between January 2 and January 31, 1985.

TABLE A

**TAX SIMPLIFICATION PROPOSAL: EXPECTED
PASSAGE AND IMPACT ON PERSONAL FINANCES**

<u>Expect Passage of Tax proposal?</u>	
Yes	41%
No	49
Don't know	7
NA	<u>3</u>
Total	100%
Cases	640
<u>Expected Impact on Personal Finances</u>	
Better off	19%
Same; no difference	58
Worse off	18
Don't know	2
NA	<u>3</u>
Total	100%
Cases	640

The questions were: "Lately there has been a lot of talk about changing the way federal income taxes are figured for individual taxpayers, so as to eliminate deductions and lower tax rates. Do you expect Congress to make this type of change in the tax laws?" and "Do you think that you (and your family living there) will be better off or worse off financially if Congress makes this change in the tax laws, or won't it make much difference to your financial situation?"

TABLE B

**RELATIONSHIP BETWEEN EXPECTED PASSAGE AND
EXPECTED IMPACT OF TAX SIMPLIFICATION PROPOSAL**

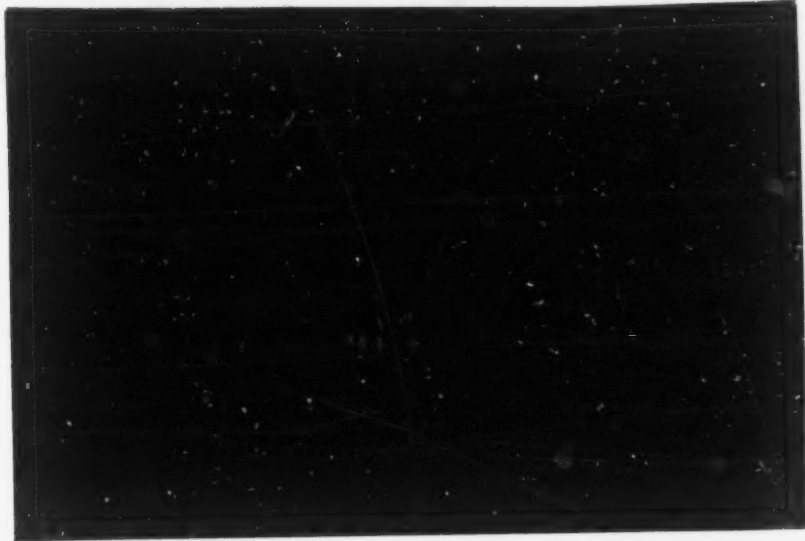
<u>Expected Impact on Personal Finances</u>	<u>Tax Simplification Proposal</u>	
	<u>Expect Passage</u>	<u>Do Not Expect Passage</u>
Better off	19%	22%
Same; no difference	56	62
Worse off	23	14
Don't know	2	2
NA	<u>*</u>	<u>*</u>
Total	100%	100%
Cases	262	314

TABLE C
REFERENCES TO INTEREST RATES IN SUPPORT
OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
8301	7	*	33	4	27	2
8302	7	1	35	5	34	1
8303	7	1	38	6	33	1
8304	12	2	46	8	38	2
8305	12	1	49	6	38	2
8306	13	3	49	12	38	2
8307	14	2	40	9	34	3
8308	11	1	33	11	30	3
8309	9	3	35	12	25	3
8310	6	1	29	9	17	2
8311	6	2	29	11	20	2
8312	6	1	30	11	16	3
8401	8	1	33	8	20	3
8402	9	2	38	12	19	3
8403	8	2	36	13	19	3
8404	8	6	29	23	15	7
8405	7	4	24	20	14	4
8406	7	4	21	17	12	6
8407	5	5	21	16	16	8
8408	6	2	22	13	12	5
8409	6	2	22	12	11	4
8410	7	4	24	11	10	4
8411	8	3	33	11	15	3
8412	8	2	32	6	12	3
8501	10	1	42	7	21	2

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

SURVEYS OF CONSUMER ATTITUDES



Institute for Social Research

T A B L E S A N D C H A R T S

FEBRUARY 1985

The February 1985 survey is the 197th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

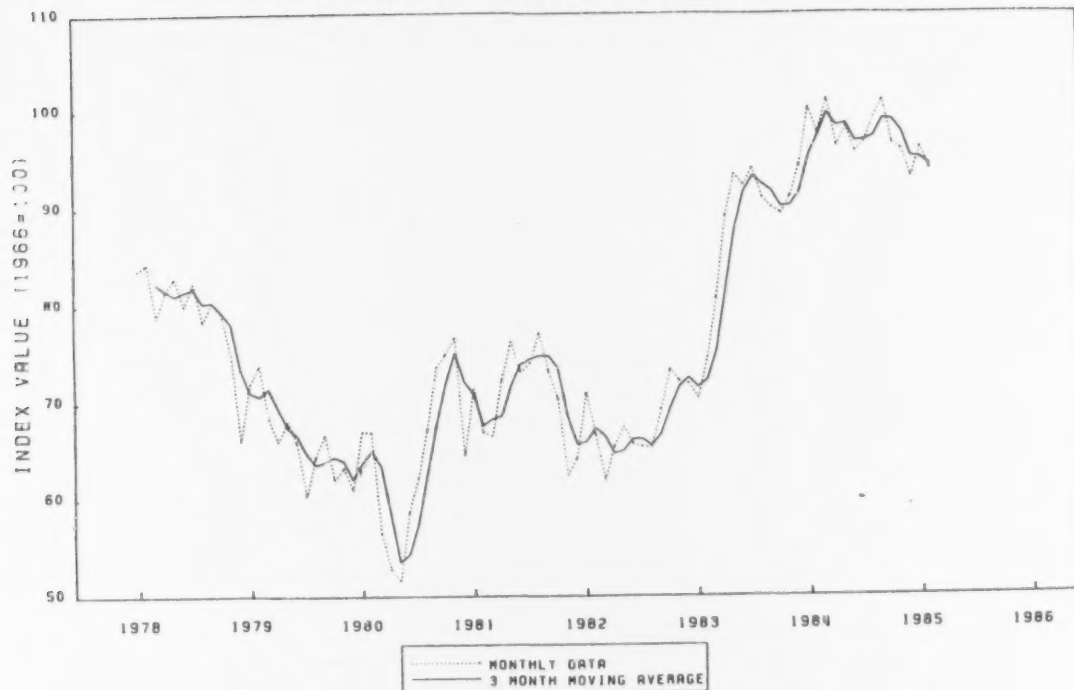


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

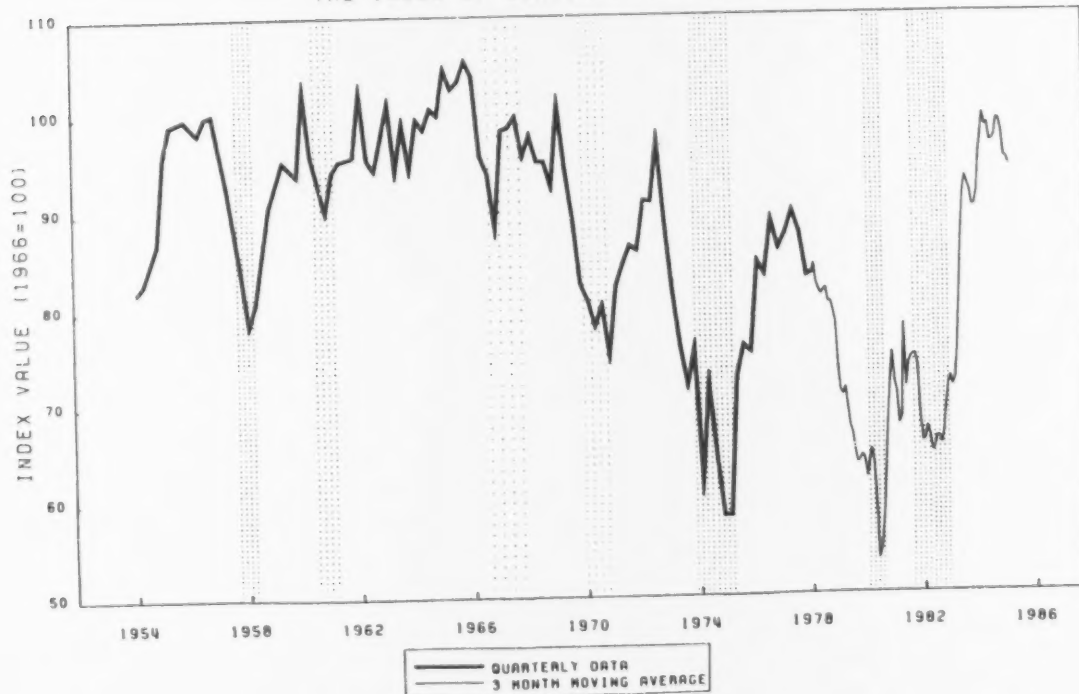


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$20,000	Families with incomes over \$25,000
February 1982	66.5	71.5	72.8
March 1982	62.0	67.0	67.9
April 1982	65.5	71.5	73.2
May 1982	67.5	72.7	74.8
June 1982	65.7	71.4	72.9
July 1982	65.4	68.9	69.2
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3
October 1983	89.3	99.5	101.9
November 1983	91.1	97.2	98.8
December 1983	94.2	101.7	104.5
January 1984	100.1	112.0	114.2
February 1984	97.4	109.6	111.2
March 1984	101.0	110.9	114.2
April 1984	96.1	103.9	105.5
May 1984	98.1	105.6	107.1
June 1984	95.5	104.4	104.5
July 1984	96.6	103.2	102.8
August 1984	99.1	106.7	109.2
September 1984	100.9	109.7	111.7
October 1984	96.3	106.2	107.7
November 1984	95.7	108.6	111.0
December 1984	92.9	99.2	100.1
January 1985	96.0	104.1	106.7
February 1985	93.7	105.4	107.4

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

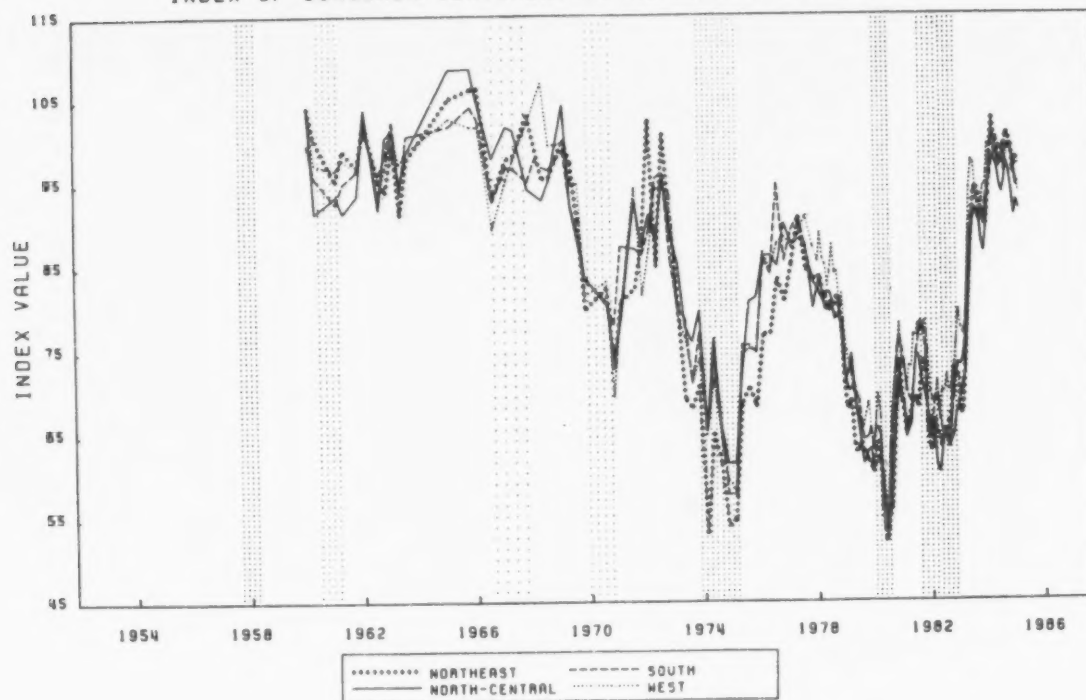


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

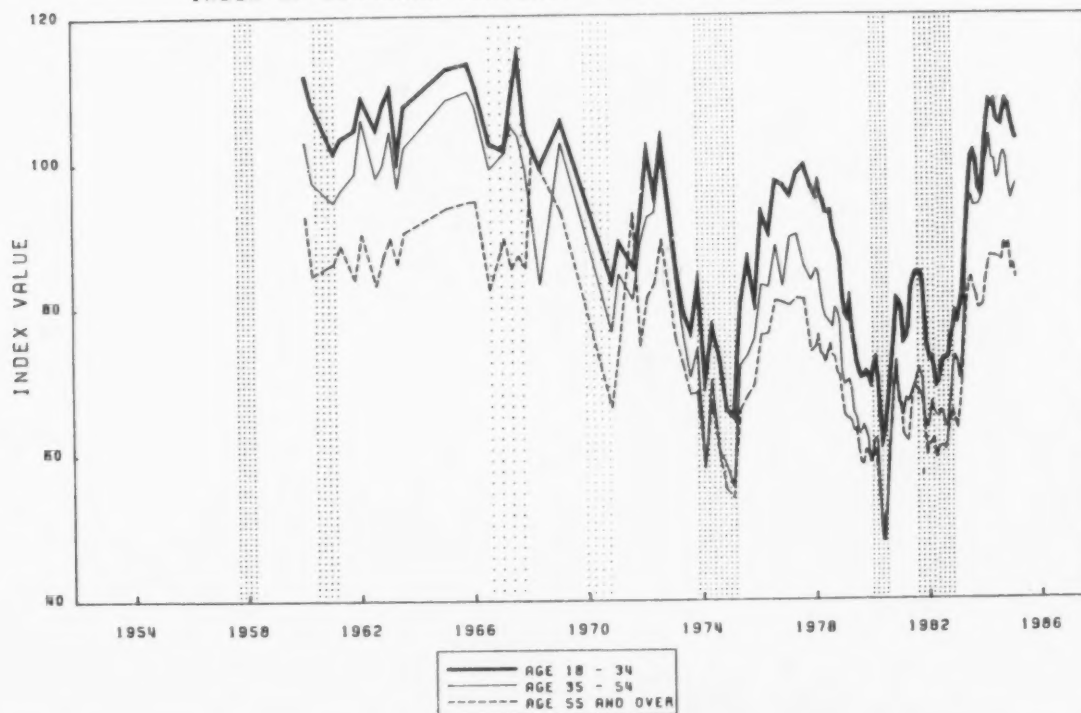


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
February 1982	65.9	60.6	71.8	68.8	71.5	68.3	59.0
March 1982	60.5	55.8	64.7	68.2	65.5	61.4	58.8
April 1982	67.2	64.6	65.0	65.8	70.6	65.5	60.4
May 1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June 1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July 1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August 1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September 1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December 1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January 1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February 1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March 1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April 1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May 1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June 1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July 1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August 1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September 1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October 1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November 1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December 1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January 1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February 1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March 1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April 1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May 1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June 1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July 1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August 1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September 1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October 1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

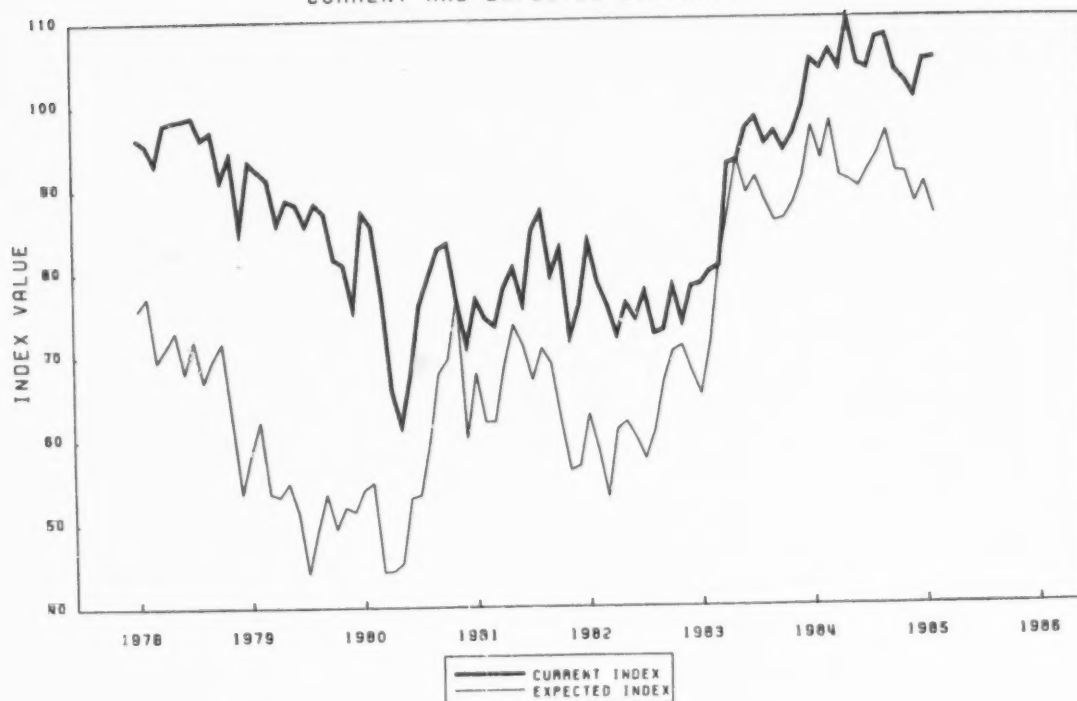


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

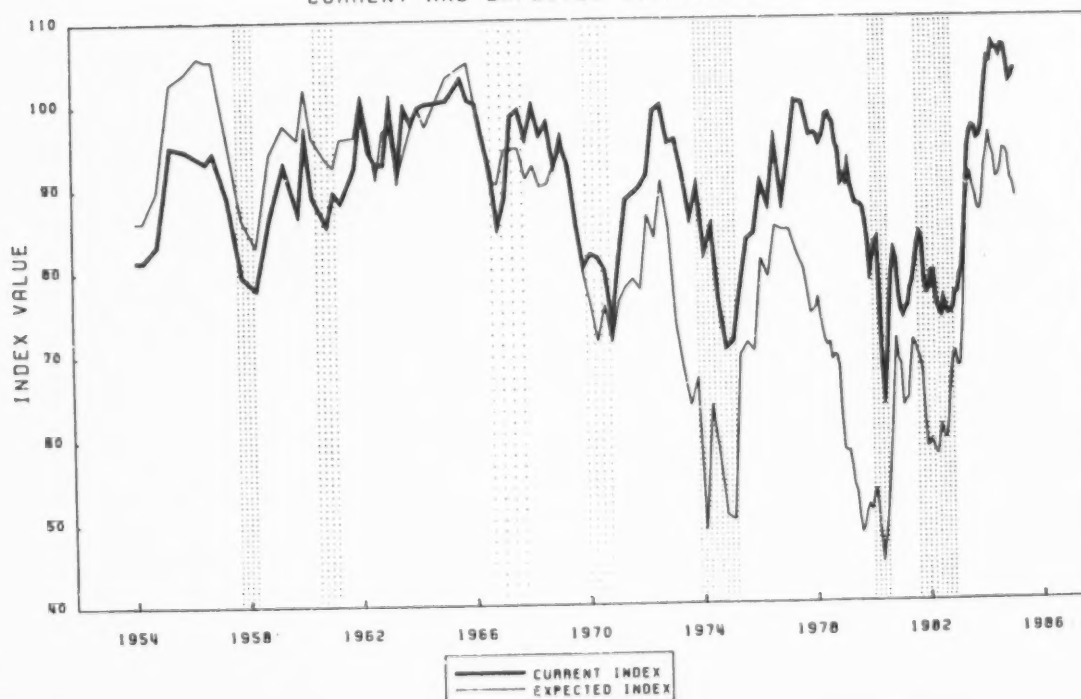


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
February 1982	91	112	56	65	111	78.6	58.7
March 1982	89	106	44	60	106	75.9	53.1
April 1982	87	111	62	70	99	72.3	61.1
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5

- (1) See Table 4.
 (2) See Table 6.
 (3) See Table 18.
 (4) See Table 19.
 (5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

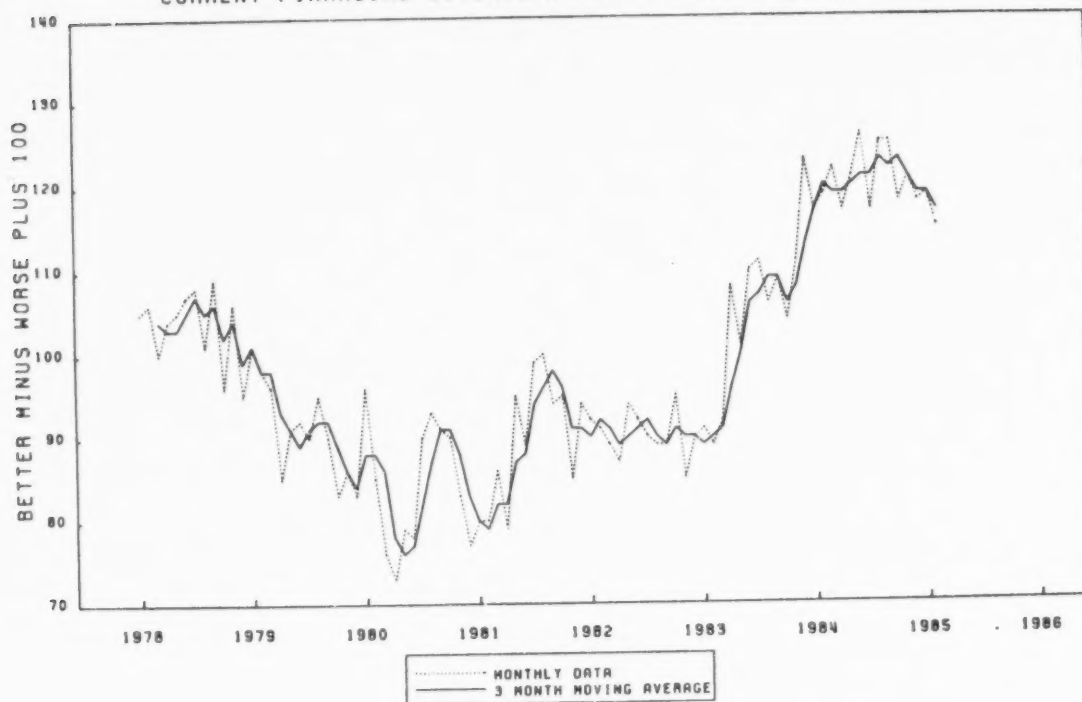


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

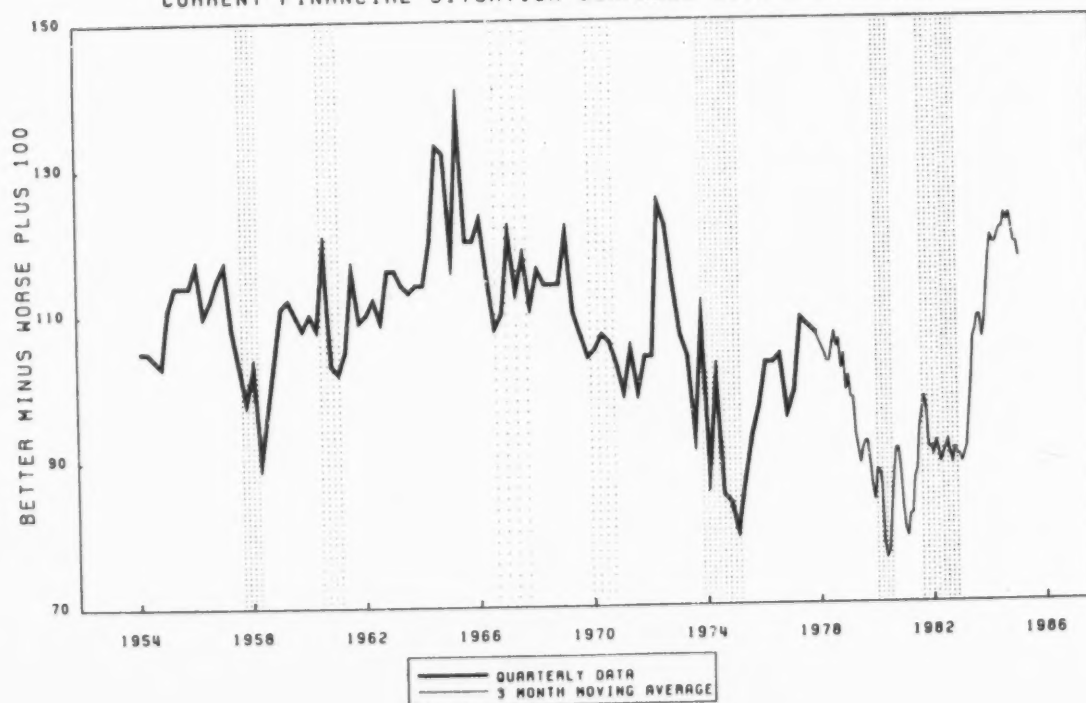


TABLE 4
CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
BETTER OFF	44%	48%	43%	44%	47%	42%	48%	45%	44%	46%	44%	42%	42%
SAME	31	26	30	33	31	33	29	35	30	29	30	35	31
WORSE OFF	25	26	26	23	21	25	23	20	26	25	26	23	27
DK,NA	*	*	1	*	1	*	*	*	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

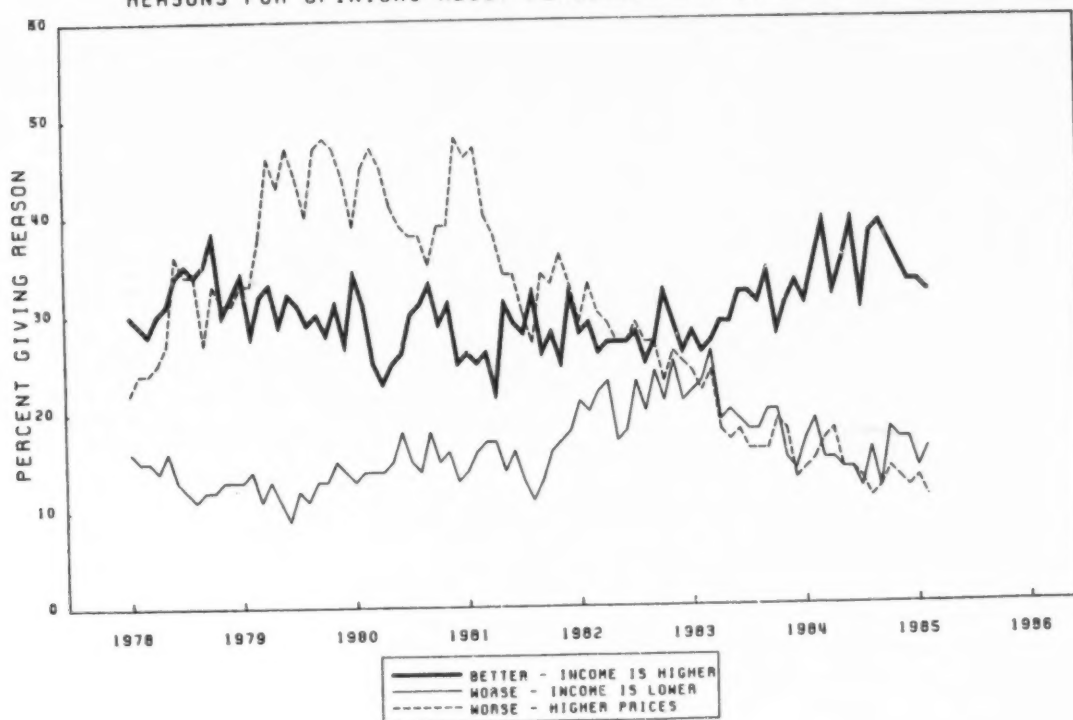


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

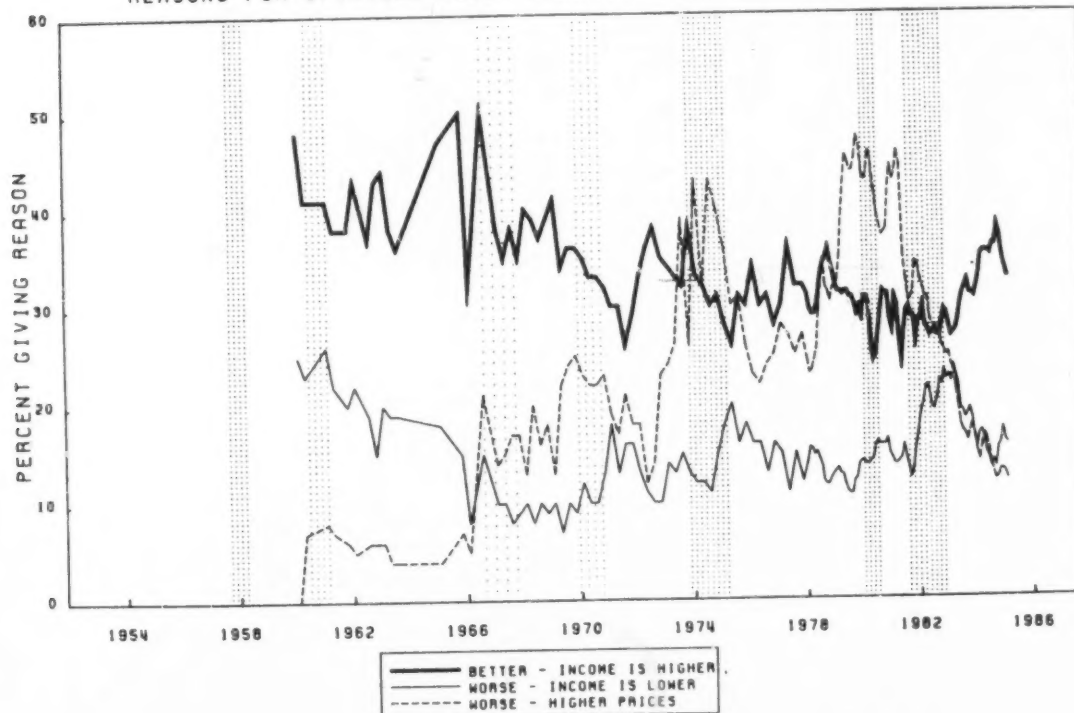


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	39%	32%	35%	39%	31%	38%	39%	37%	35%	33%	33%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	19	15	15	14	14	12	16	12	18	17	17	14	16
Higher prices	15	17	18	14	14	13	11	12	14	13	12	13	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

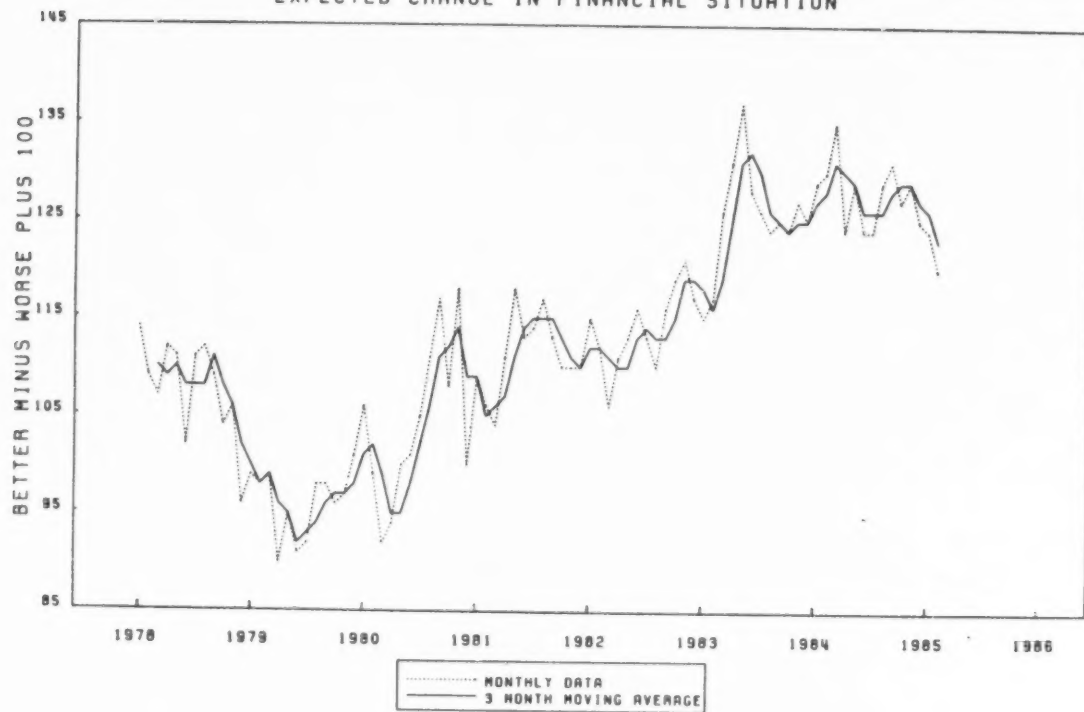


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

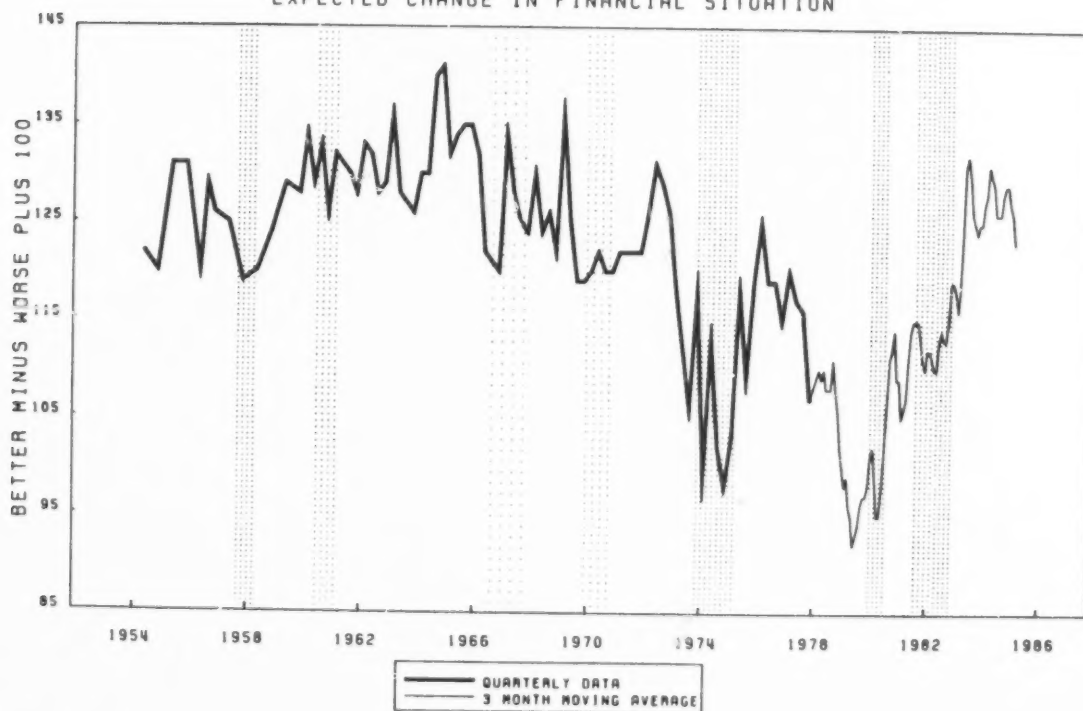


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
BETTER OFF	41%	44%	37%	40%	35%	34%	38%	39%	38%	39%	36%	35%	33%
SAME	44	44	48	47	52	51	49	49	47	48	50	52	50
WORSE OFF	11	9	13	11	11	10	9	8	11	10	11	11	13
DK,NA	4	3	2	2	2	5	4	4	4	3	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

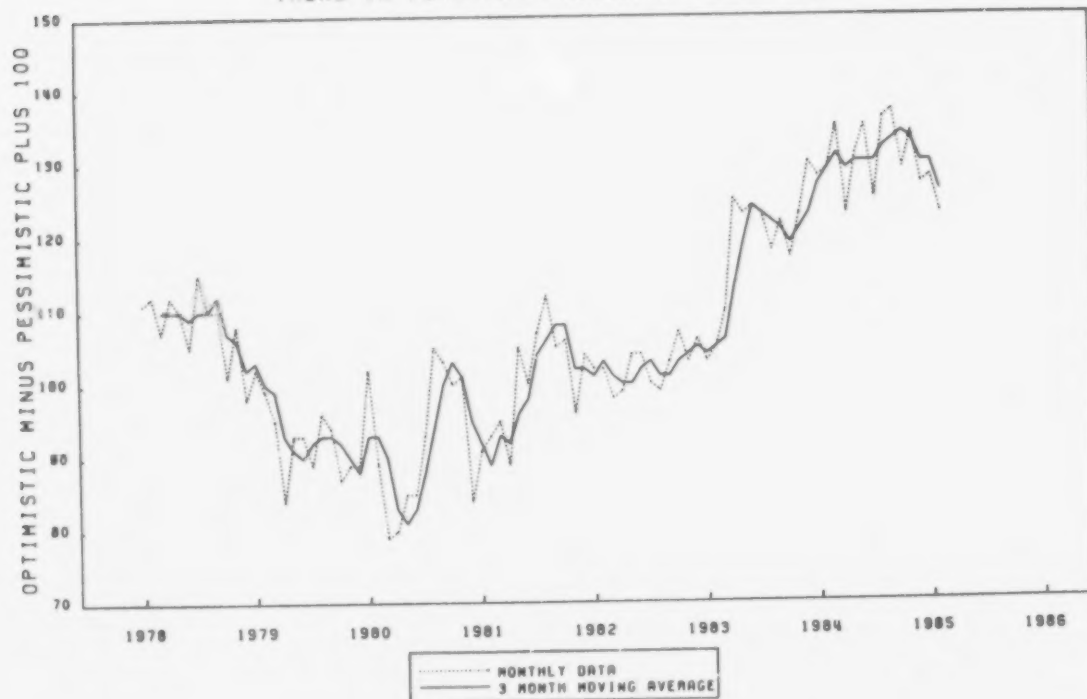


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

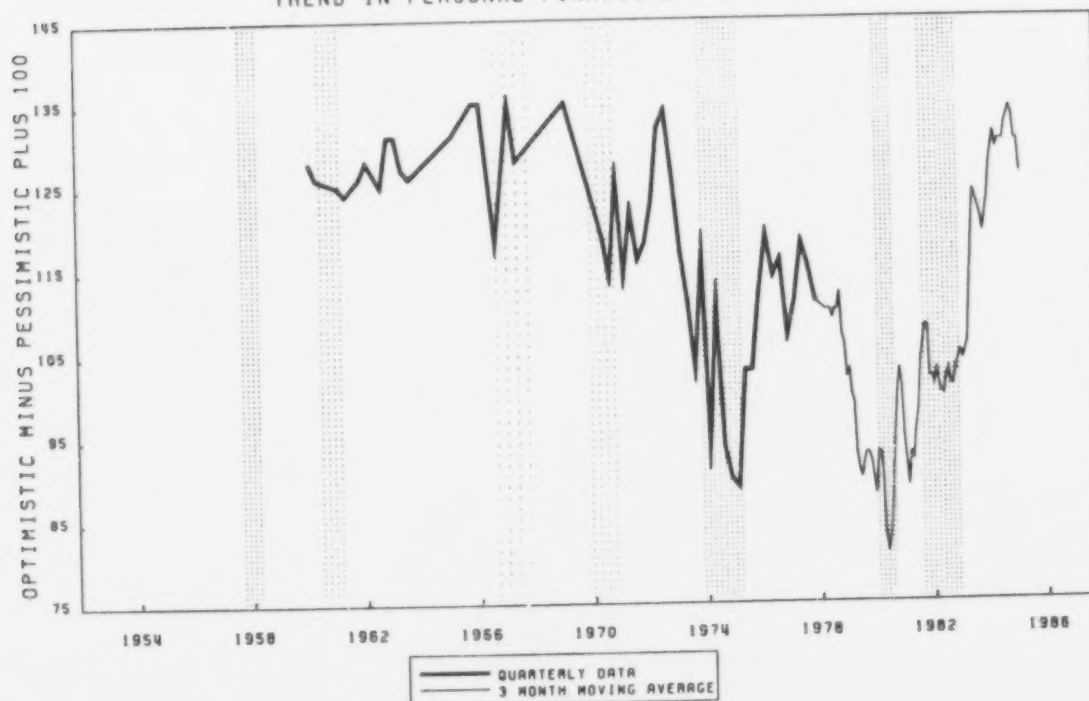


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	24%	27%	23%	23%	20%	22%	24%	25%	21%	21%	23%	19%	20%
Intermittent increase (b)	25	27	22	24	32	24	30	28	28	32	25	28	24
Remain unchanged (c)	17	14	19	21	19	21	17	20	17	15	19	22	20
Intermittent decline (d)	16	14	16	12	12	16	13	12	15	14	15	15	15
Continuous decline (e)	4	5	6	4	5	5	5	4	5	5	6	4	6
Mixed change (f)	10	10	11	14	10	7	8	7	10	10	9	9	12
DK, NA	4	3	3	2	2	5	3	4	4	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

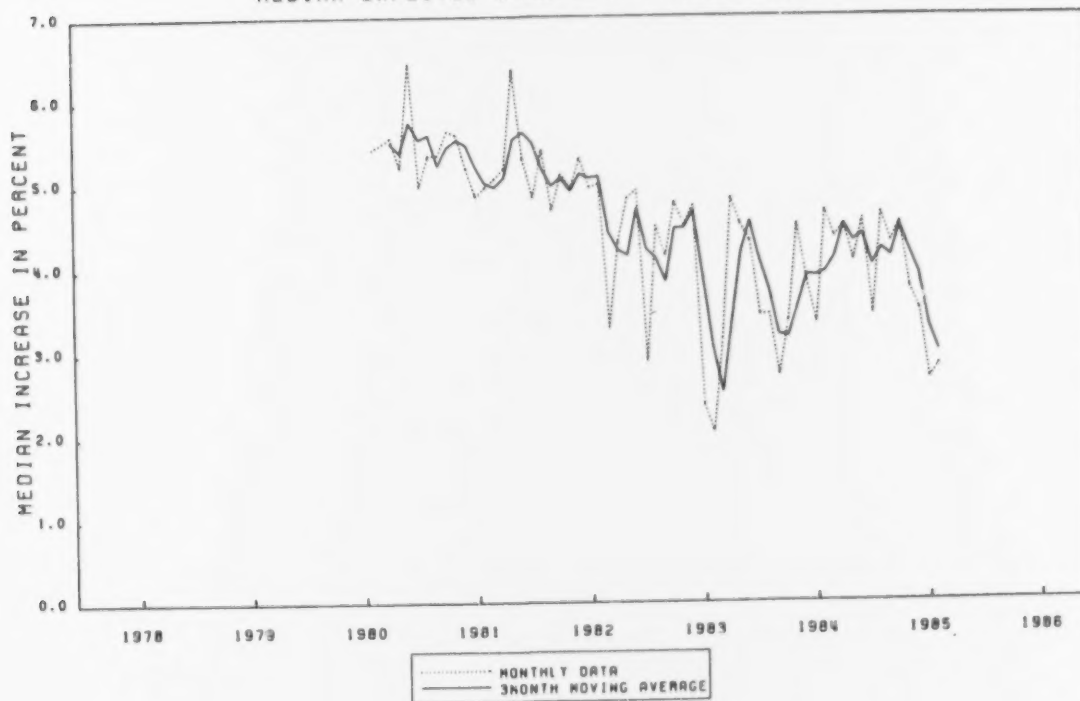


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

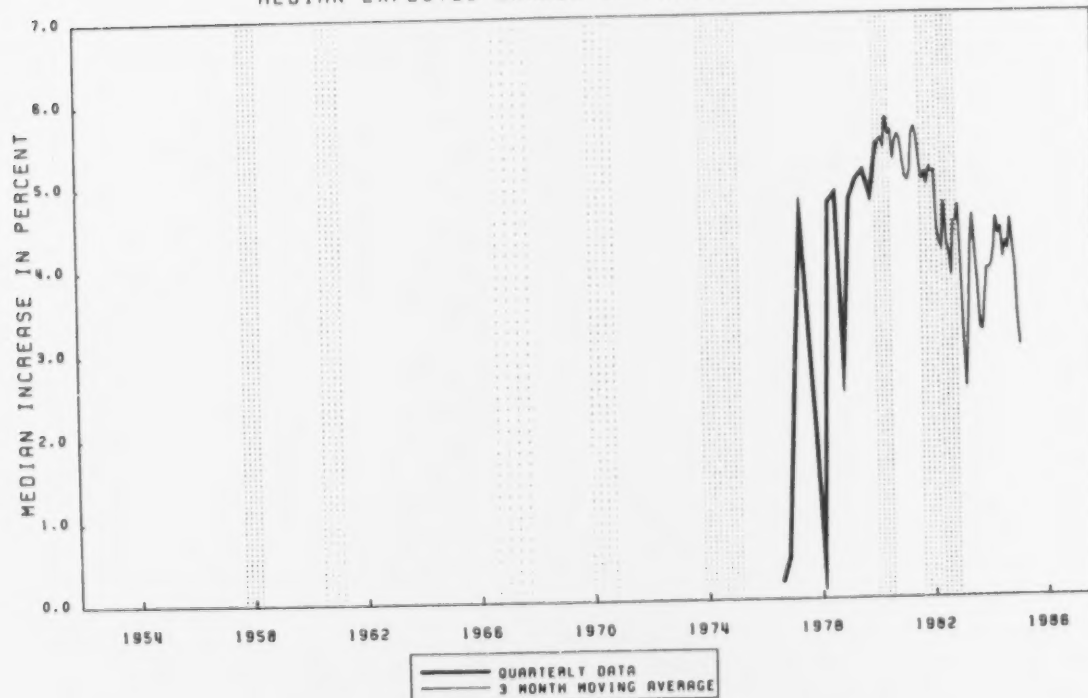


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
EXPECT INCREASE:													
1-4%	13%	14%	11%	11%	12%	17%	13%	15%	10%	13%	12%	12%	14%
5%	13	9	11	9	11	12	11	10	10	9	10	9	11
6-9%	10	8	8	7	12	8	11	10	8	7	8	9	6
10-24%	19	18	18	21	17	17	18	18	20	19	17	17	16
25% or more	6	11	8	8	7	6	7	7	8	8	7	6	7
DK how much up	4	6	5	6	3	4	3	4	5	6	7	3	3
EXPECT SAME	22	26	22	26	24	23	24	23	25	23	23	27	26
EXPECT DOWN	11	7	15	11	11	11	11	11	12	13	15	16	16
DK,NA	2	1	2	1	3	2	2	2	2	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

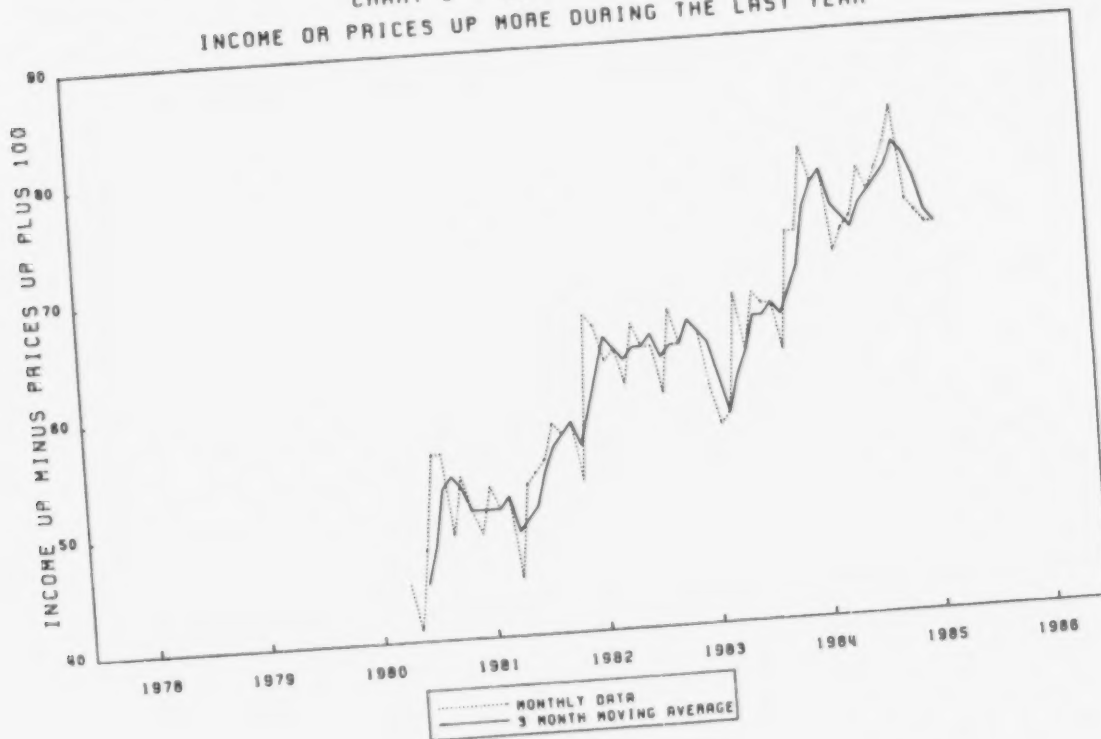


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

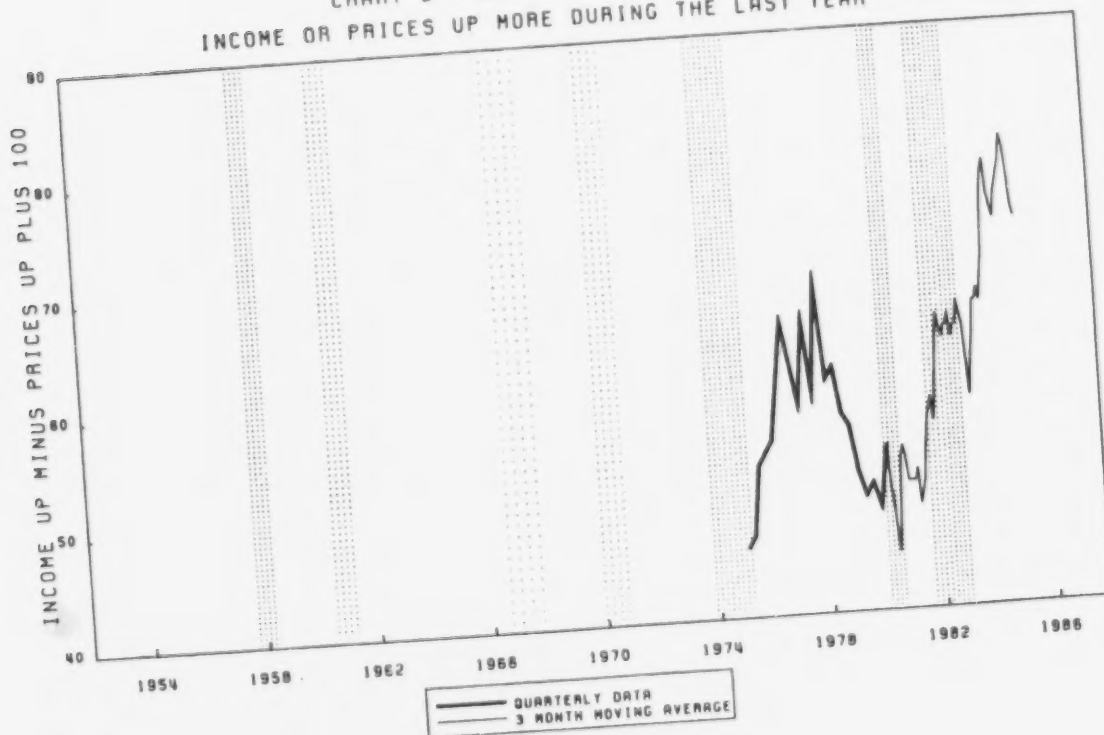


TABLE 9
PAST CHANGE IN REAL FAMILY INCOME

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
INCOME UP MORE	22%	20%	20%	20%	21%	21%	21%	22%	25%	21%	19%	16%	19%
INCOME UP SAME	32	30	32	33	34	33	34	36	31	31	35	40	34
PRICES UP MORE	44	49	47	46	43	45	43	42	42	46	45	43	46
DK,NA	2	1	1	1	2	1	2	*	2	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

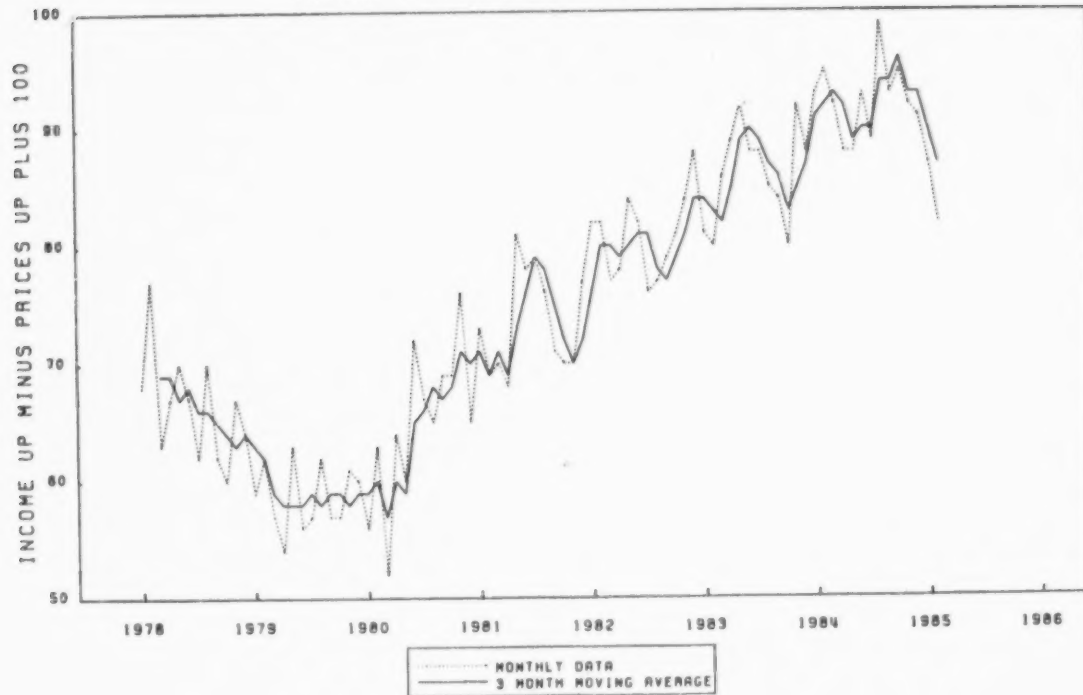


CHART 10 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

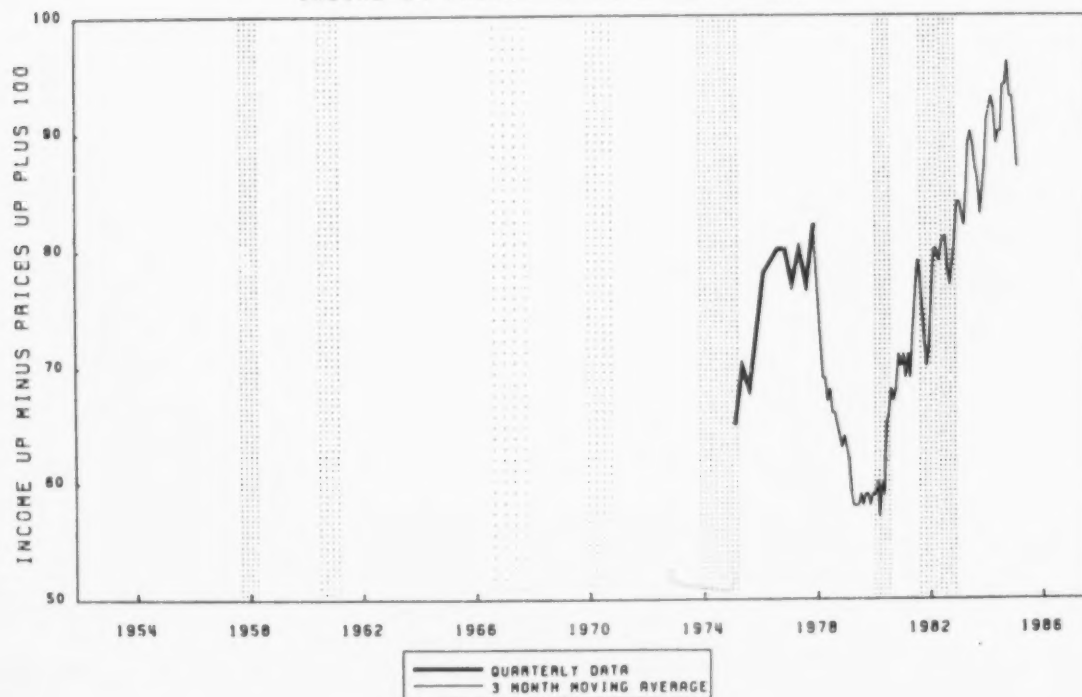


TABLE 10
EXPECTED CHANGE IN REAL FAMILY INCOME

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
INCOME UP MORE	24%	23%	21%	22%	22%	22%	25%	23%	25%	23%	21%	20%	20%
INCOME UP SAME	45	44	43	42	47	41	45	44	43	44	46	45	40
PRICES UP MORE	29	31	33	34	29	33	26	30	30	31	30	33	38
DK,NA	2	2	3	2	2	4	4	3	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

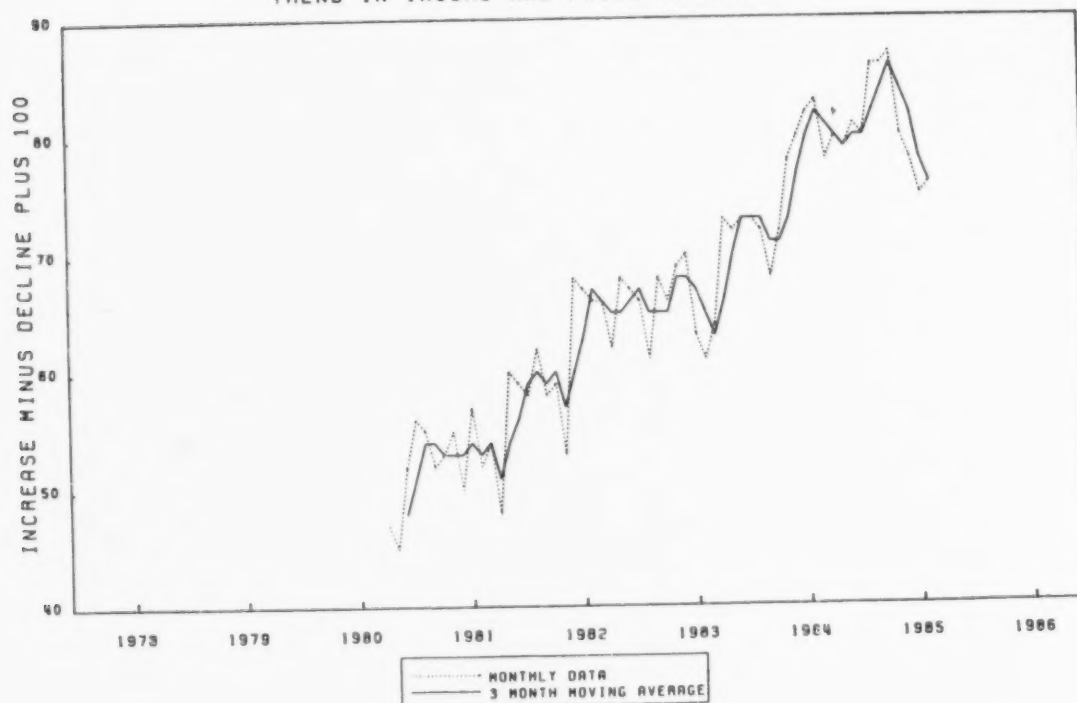


CHART 11 - HISTORICAL SERIES
TREND IN INCOME AND PRICE COMPARISON

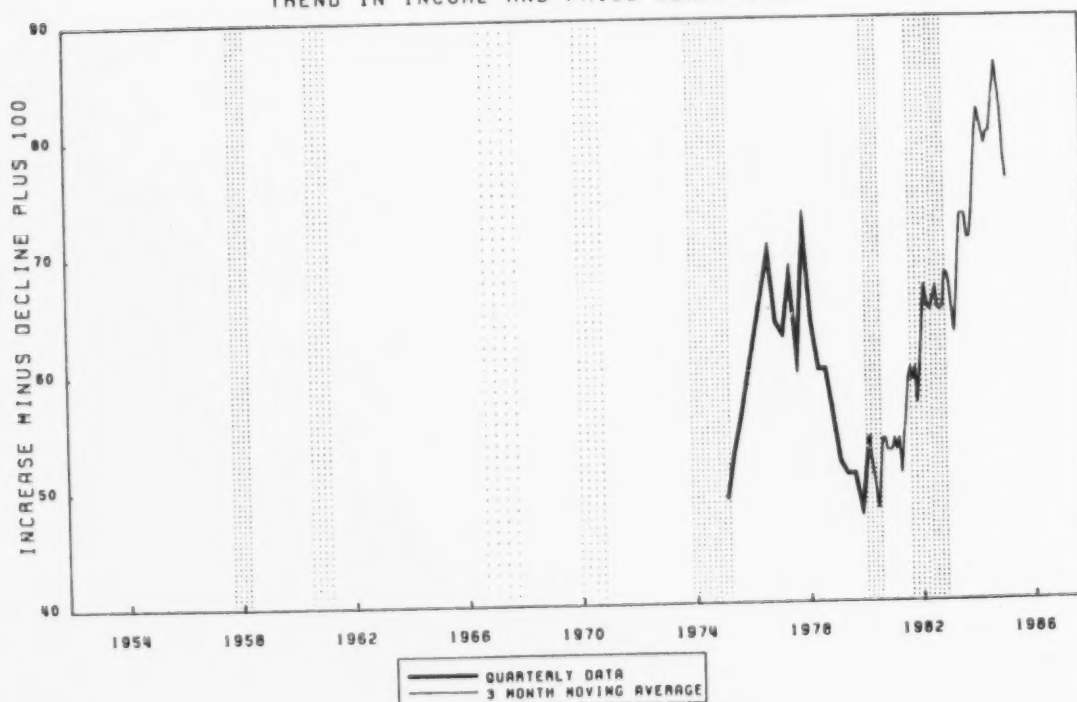


TABLE 11
TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	13%	12%	10%	9%	11%	10%	12%	12%	14%	12%	10%	8%	10%
Intermittent increase (b)	13	12	14	17	13	14	15	16	14	14	12	13	14
Remain unchanged (c)	20	20	21	17	22	20	21	22	20	19	23	24	20
Intermittent decline (d)	22	20	18	22	23	20	22	20	18	22	22	23	19
Continuous decline (e)	21	26	26	25	20	24	19	22	23	24	22	23	29
Mixed change (f)	6	8	7	7	8	8	6	5	7	6	8	6	6
DK,NA	5	2	4	3	3	4	5	3	4	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
 (b) Income up more/Same or Income up same/More
 (c) Income up same/Same
 (d) Prices up more/Same or Prices up same/More
 (e) Prices up more/More
 (f) Income up more/Prices up more or Prices up more/Income up more

CHART12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

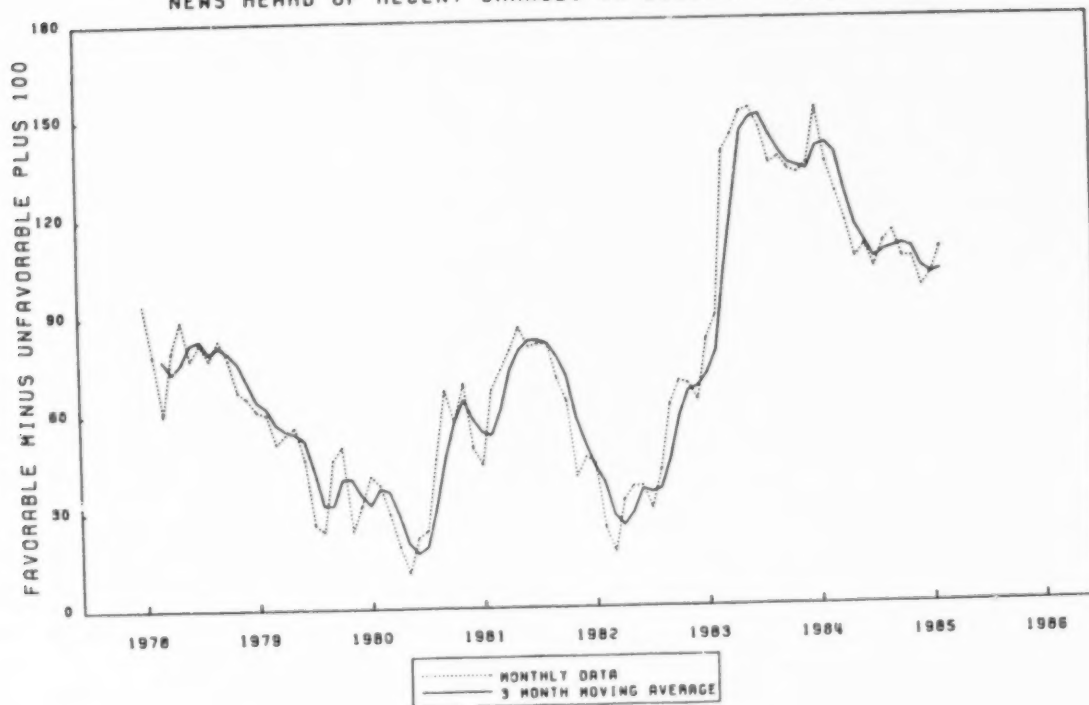


CHART12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

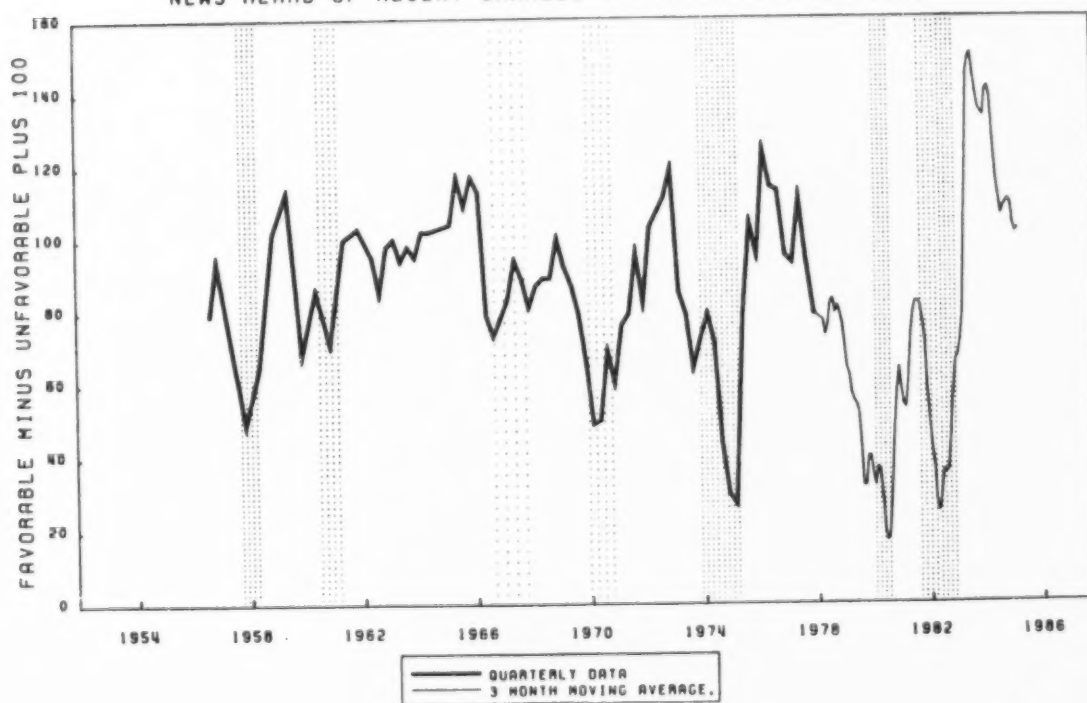


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
FAVORABLE NEWS	66%	58%	49%	47%	50%	42%	51%	52%	44%	41%	39%	43%	50%
UNFAVORABLE NEWS	31	32	32	41	40	39	40	38	38	35	42	42	41
NO MENTIONS	38	43	46	41	41	46	39	41	44	49	46	44	41

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

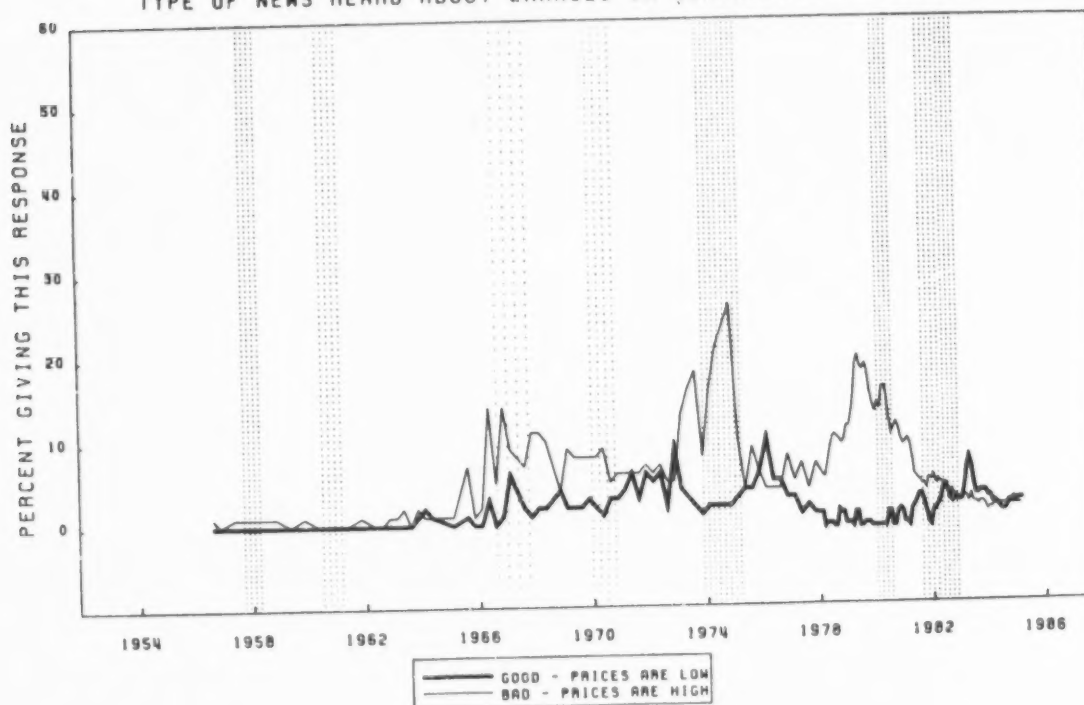


CHART 13B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

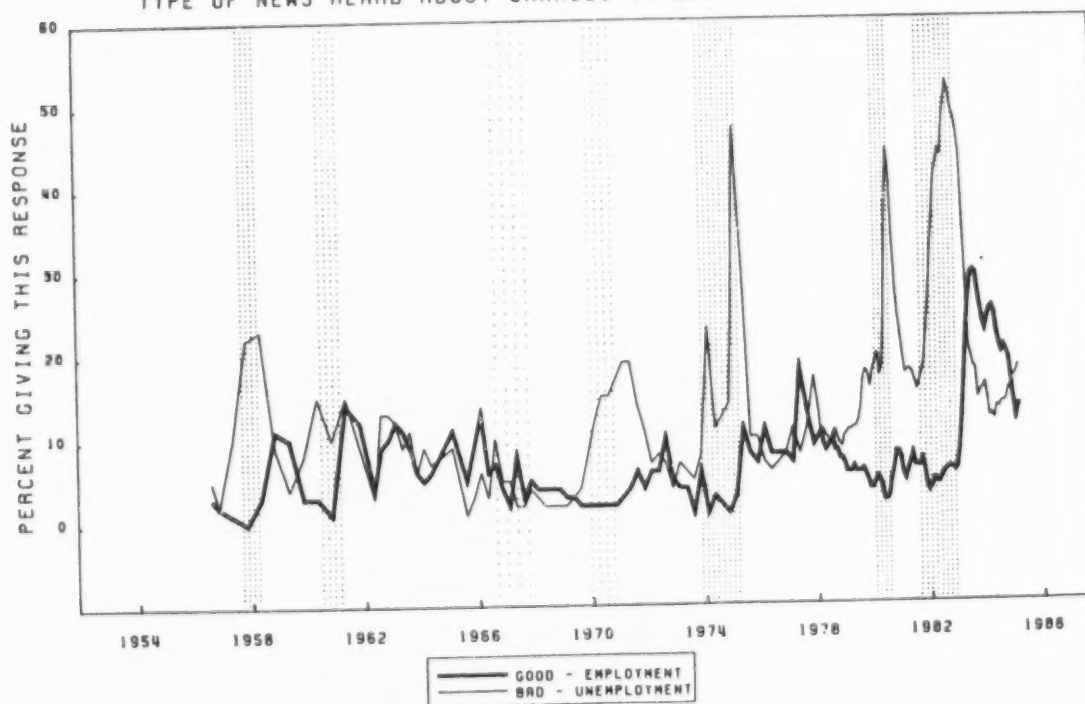


TABLE 13
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
FAVORABLE NEWS:													
Government; elections	2%	1%	1%	1%	2%	2%	2%	3%	1%	2%	3%	4%	3%
Employment	25	25	23	18	21	20	20	19	18	13	11	12	17
Consumer demand high	15	10	8	10	8	4	7	7	5	4	5	5	5
Prices are low	1	2	1	1	1	1	2	3	1	3	2	2	3
Credit is easy	4	5	4	2	3	2	4	3	4	8	9	10	9
UNFAVORABLE NEWS:													
Government; elections	5	4	2	3	2	4	4	4	3	3	6	5	6
Unemployment	10	14	11	15	13	13	15	14	17	16	17	18	19
Consumer demand low	1	1	*	2	1	2	2	2	1	2	3	3	3
Prices are high	1	2	1	2	2	1	2	2	1	2	2	1	2
Credit is tight	2	3	9	10	12	13	9	6	5	3	2	2	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

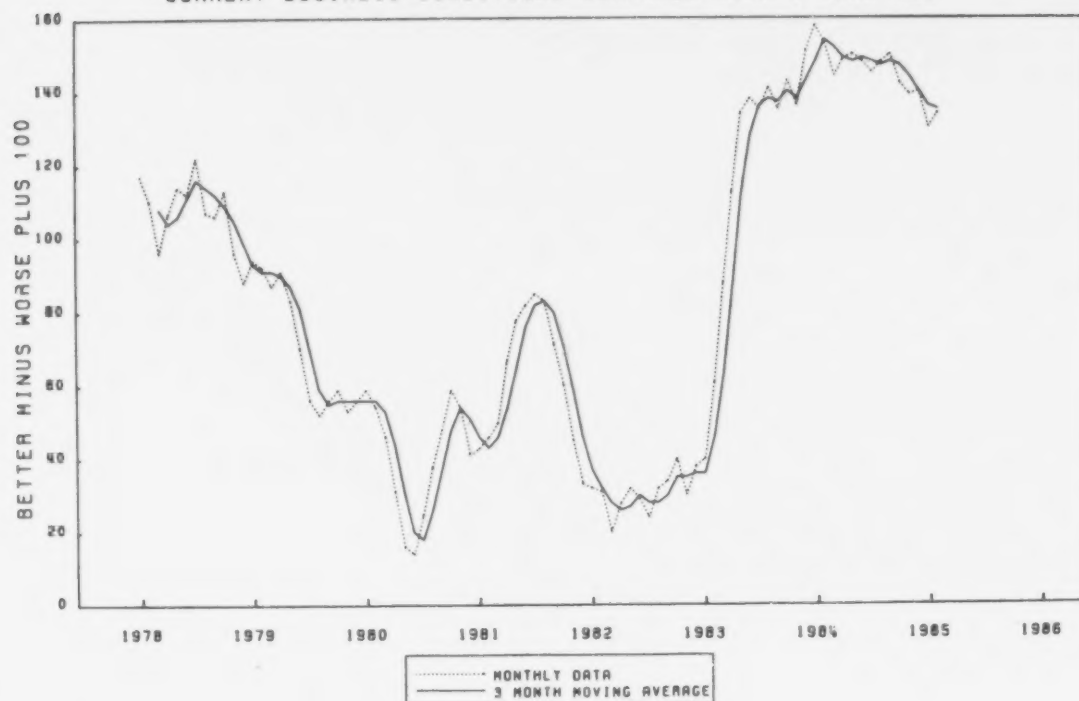


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

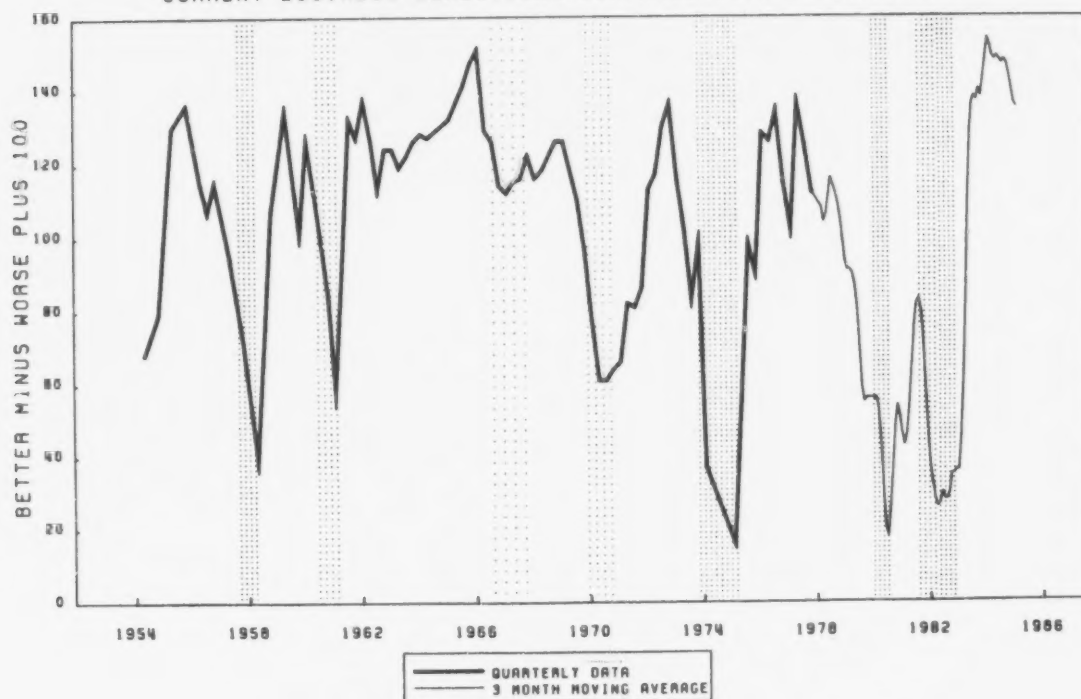


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
BETTER NOW	72%	67%	68%	70%	67%	67%	68%	68%	65%	63%	63%	57%	60%
SAME	8	9	11	9	12	9	11	12	10	12	13	14	12
WORSE NOW	19	23	19	20	19	22	20	18	23	24	23	27	26
DK,NA	1	1	2	1	2	2	1	2	2	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

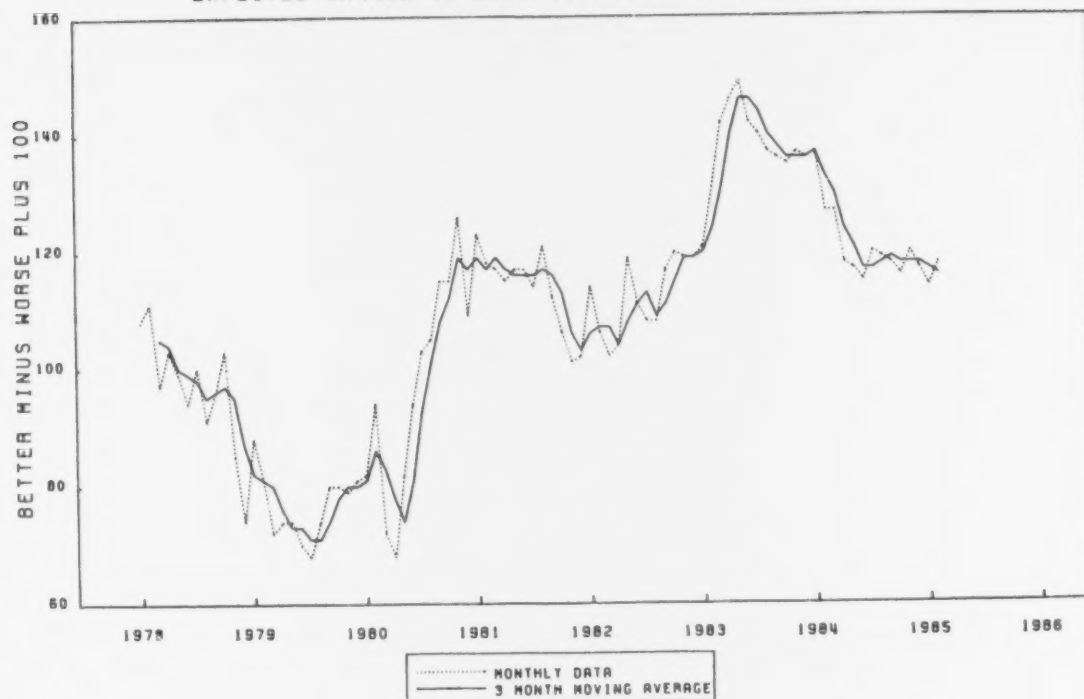


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

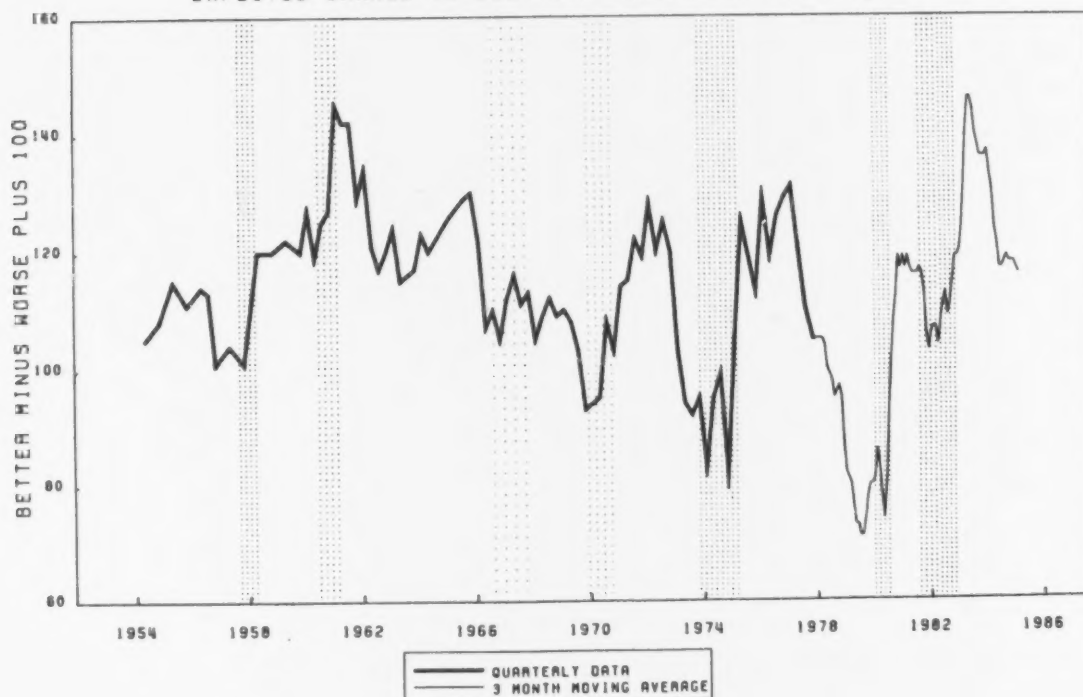


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
BETTER	38%	38%	32%	31%	30%	32%	33%	33%	32%	35%	33%	29%	33%
SAME	48	49	52	53	53	51	49	48	49	48	47	55	50
WORSE	11	11	14	14	15	12	14	15	16	15	16	15	15
DK,NA	3	2	2	2	2	5	4	4	3	2	4	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

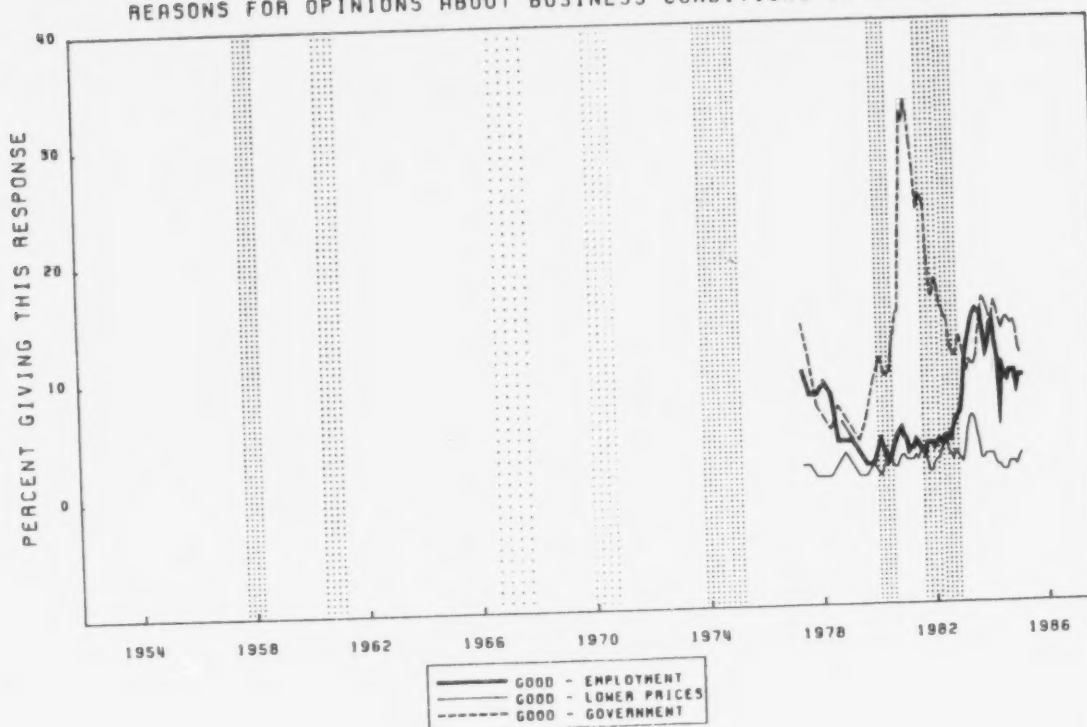


CHART 16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

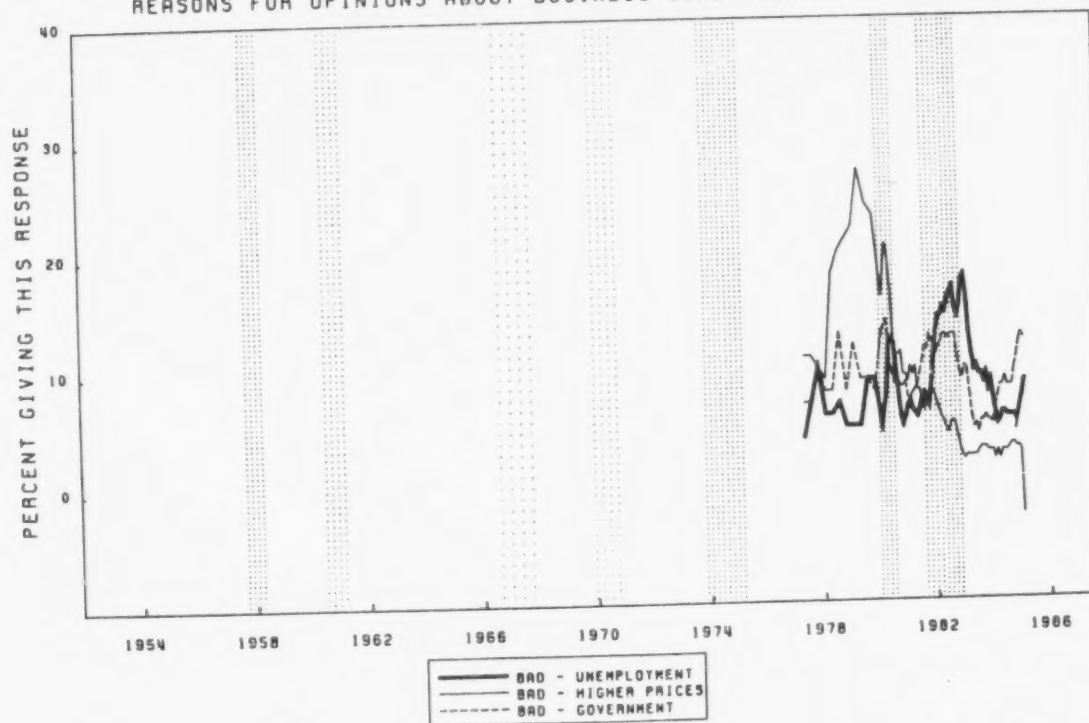


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
FAVORABLE REASONS:													
Government; elections	15%	17%	13%	12%	15%	15%	13%	14%	14%	14%	12%	9%	12%
Employment	11	10	11	9	10	9	8	12	9	8	8	12	8
Higher consumer demand	5	4	4	5	4	5	5	2	2	5	4	4	4
Lower prices	1	2	1	2	1	1	2	3	1	2	2	3	3
Easier credit	4	2	2	2	2	4	4	4	3	5	6	4	4
UNFAVORABLE REASONS:													
Government; elections	9	9	7	9	11	5	9	11	9	12	15	11	11
Unemployment	4	5	7	6	5	6	6	5	6	5	8	9	9
Lower consumer demand	1	1	2	2	2	2	3	2	2	3	4	2	2
Higher prices	1	3	2	3	2	3	4	3	3	3	3	2	3
Tighter credit	4	2	7	7	8	7	5	4	4	3	3	4	3
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

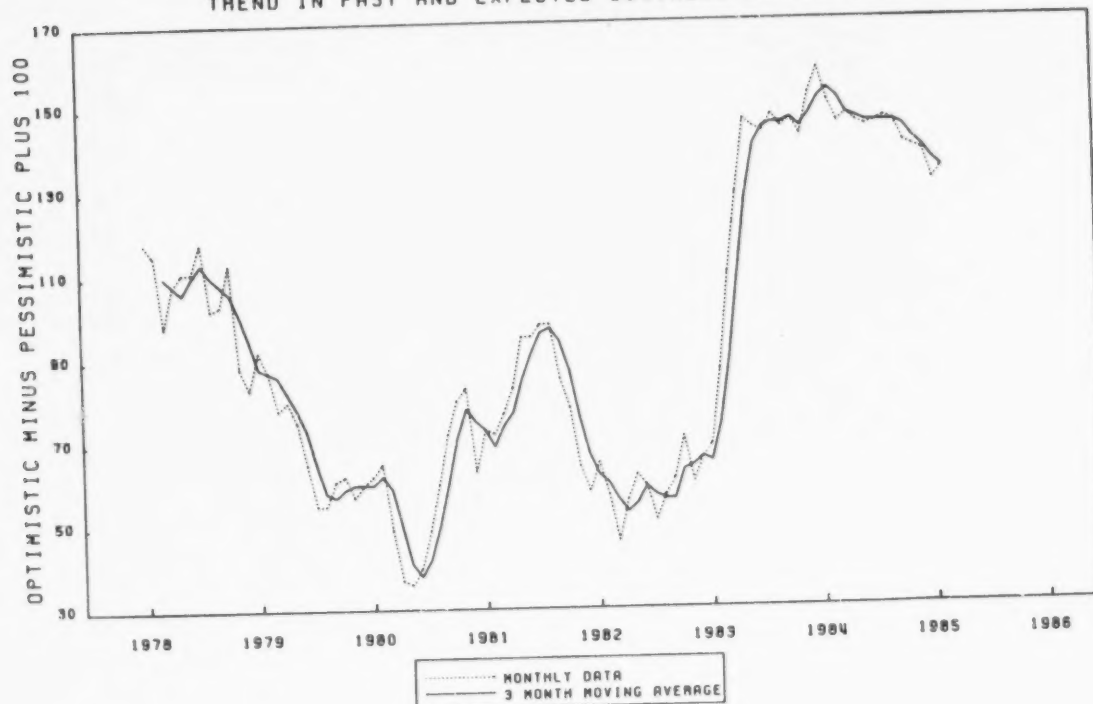


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

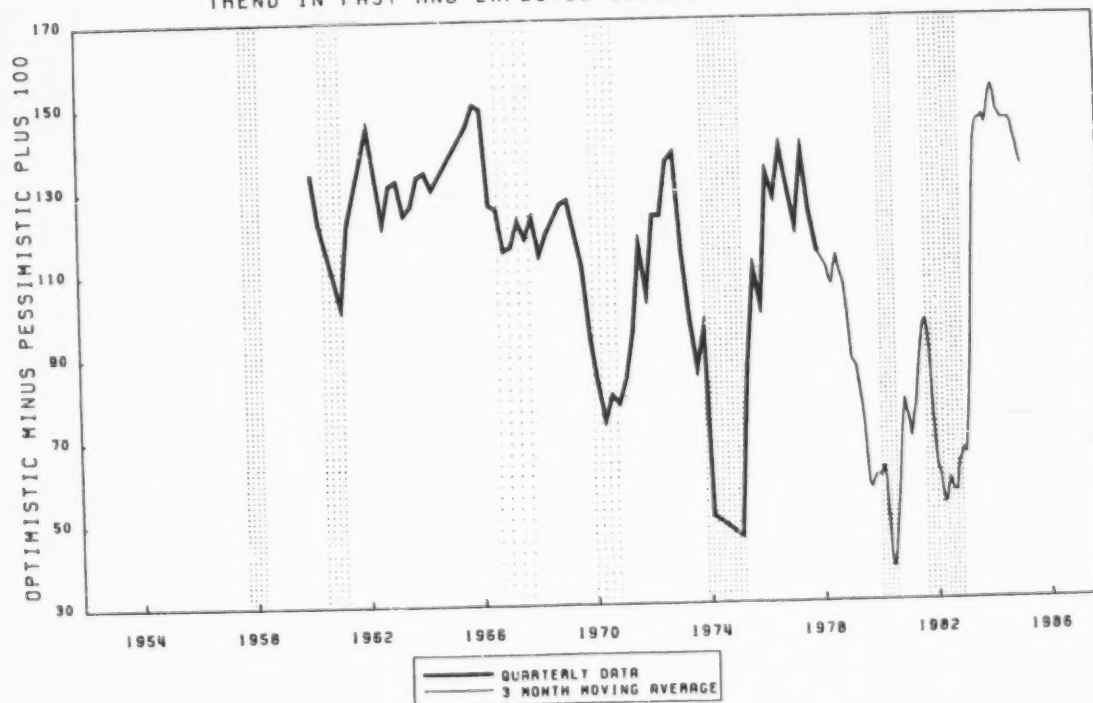


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
TREND:													
Continuous increase (a)	32%	31%	25%	27%	25%	25%	25%	27%	24%	28%	27%	21%	26%
Intermittent increase (b)	34	32	39	36	37	38	36	35	36	32	32	36	31
Remain unchanged (c)	5	6	7	7	7	4	6	6	5	6	7	8	7
Intermittent decline (d)	12	14	10	13	11	12	10	11	12	14	13	17	15
Continuous decline (e)	4	4	7	5	7	6	5	6	8	7	8	9	8
Mixed change (f)	10	10	9	10	9	9	12	10	10	9	9	7	9
DK, NA	3	3	3	2	4	6	6	5	5	4	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

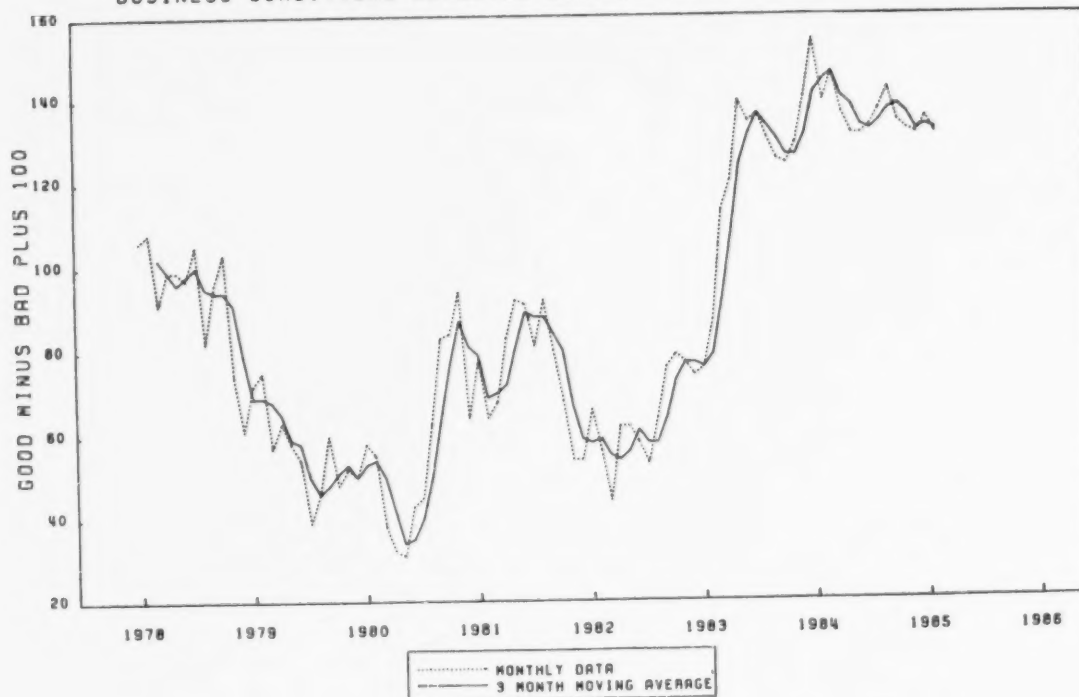


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

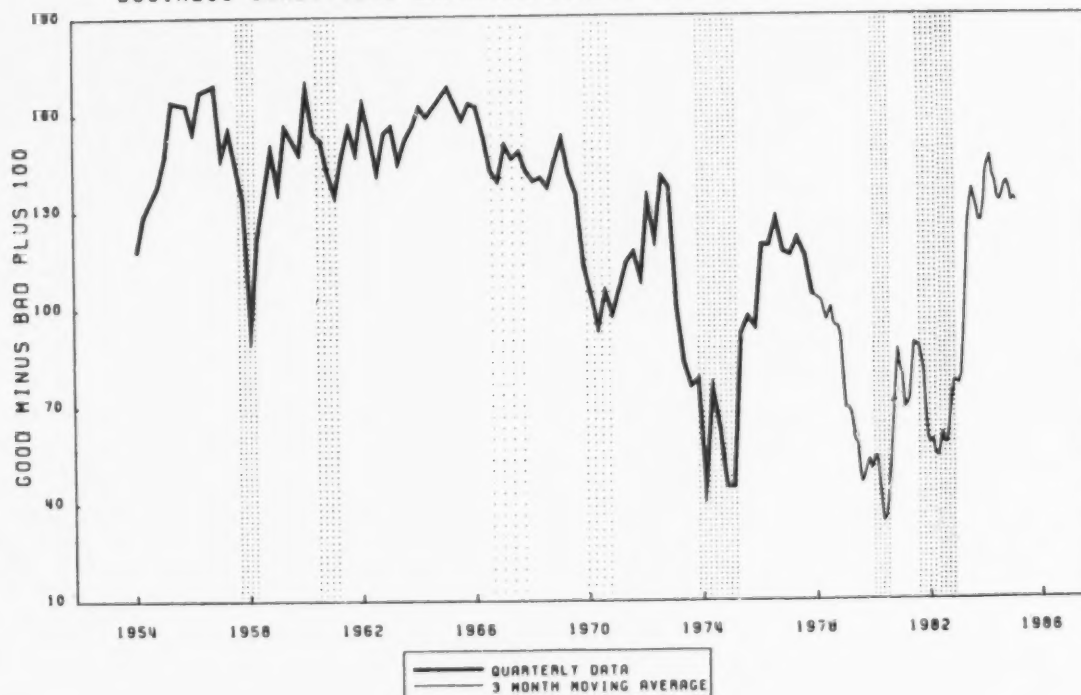


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIMES	65%	69%	63%	60%	60%	61%	62%	66%	60%	59%	59%	63%	62%
UNCERTAIN; GOOD & BAD	2	2	3	3	2	2	3	3	4	3	3	4	2
BAD TIMES	26	23	27	29	29	28	25	24	26	27	28	28	31
DON'T KNOW	5	4	5	5	6	6	7	6	6	7	7	4	3
NOT ASCERTAINED	2	2	2	3	3	3	3	1	4	4	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

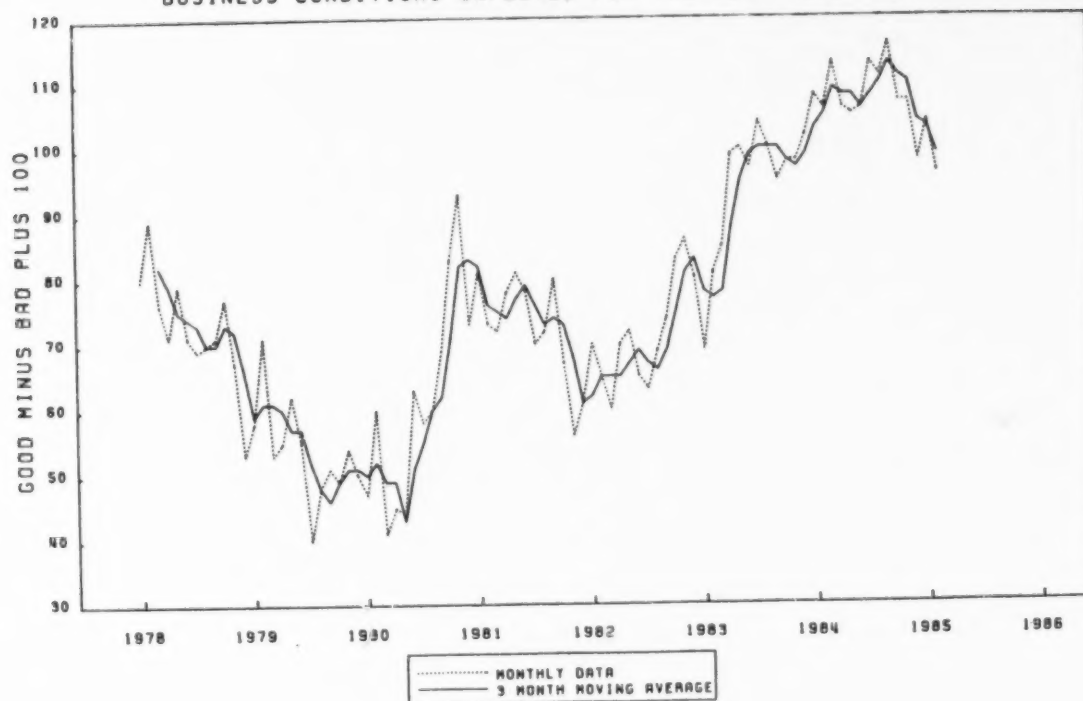


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

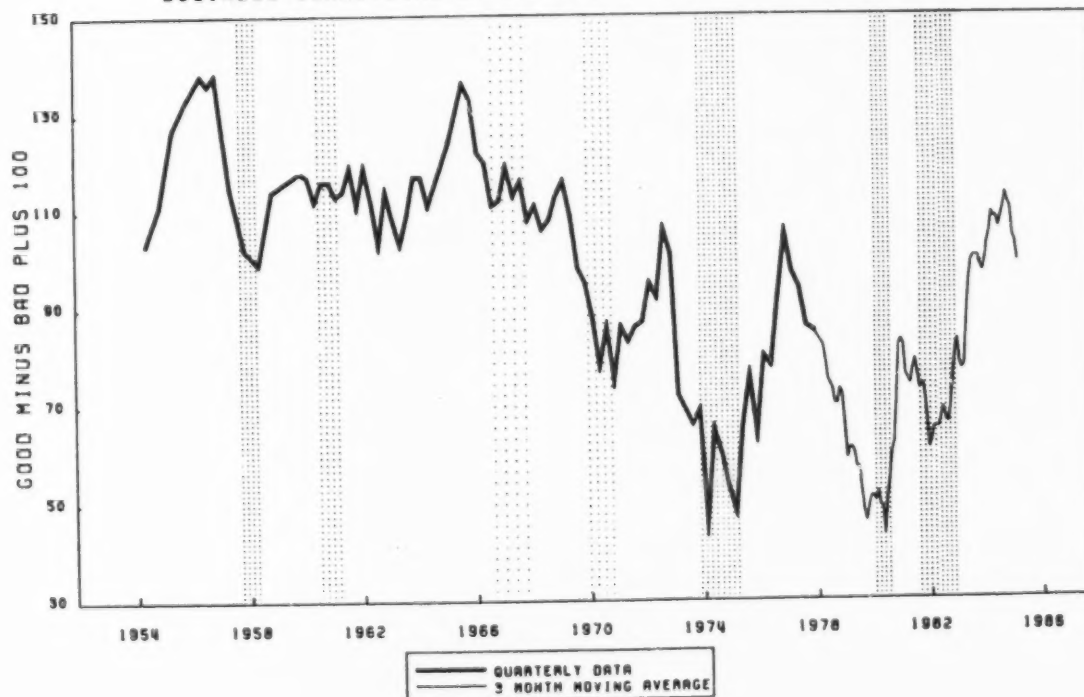


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIMES	42%	47%	41%	43%	42%	44%	47%	47%	43%	42%	39%	43%	41%
UNCERTAIN; GOOD & BAD	16	15	19	15	17	19	13	17	17	17	15	15	11
BAD TIMES	36	34	35	38	36	31	36	31	36	35	41	39	45
NOT ASCERTAINED	6	4	5	4	5	6	4	5	4	6	5	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

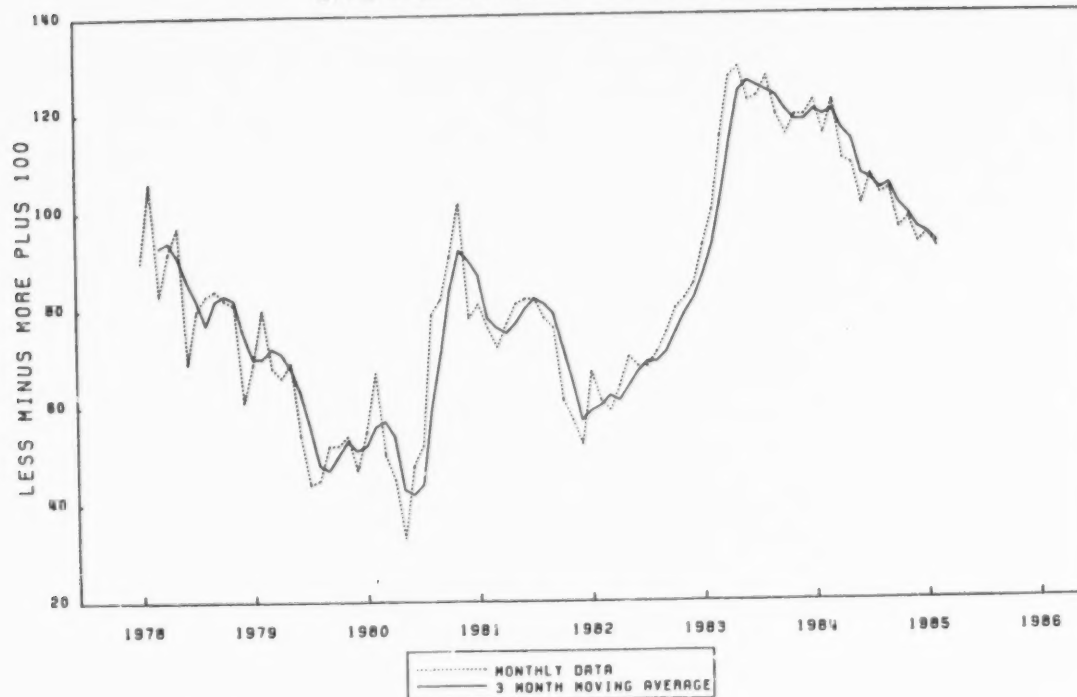


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

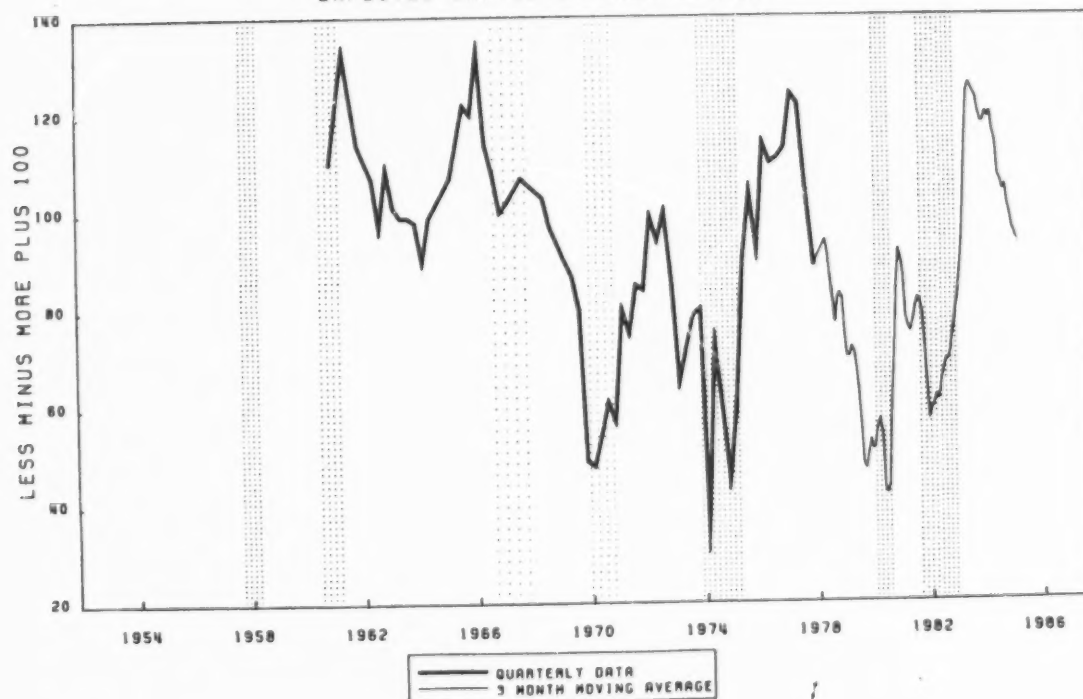


TABLE 20
EXPECTED CHANGE IN UNEMPLOYMENT

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
LESS	31%	38%	28%	29%	24%	26%	24%	26%	20%	22%	21%	20%	20%
SAME	50	45	52	51	52	53	54	50	54	52	50	54	50
MORE	16	16	18	20	23	19	21	22	24	24	28	25	28
DK,NA	3	1	2	*	1	2	1	2	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

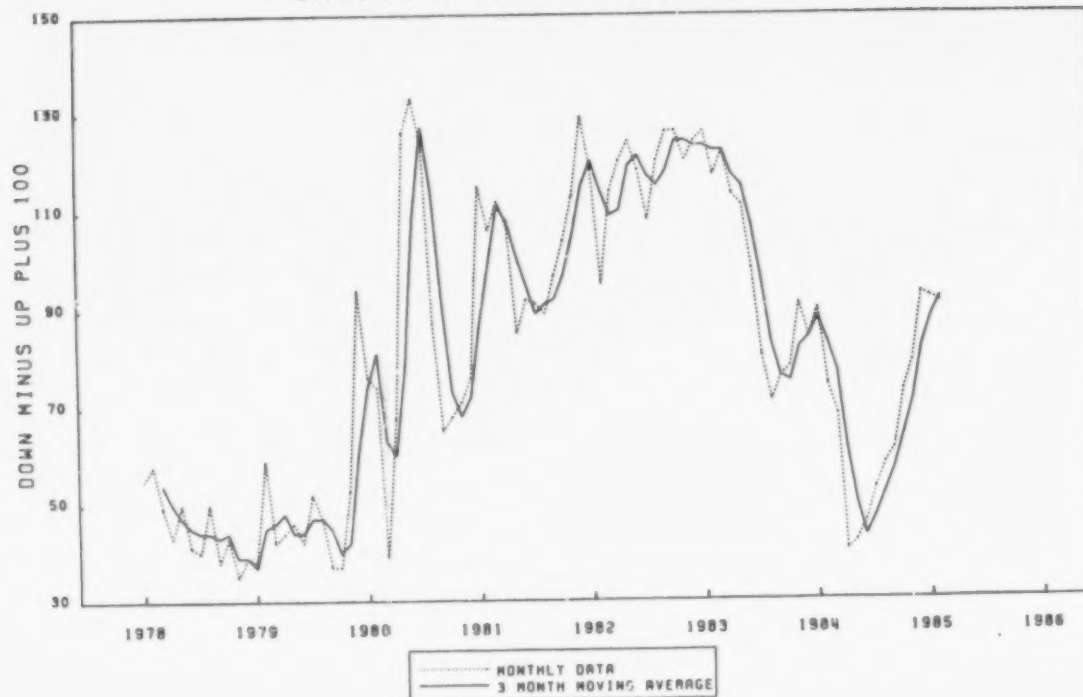


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

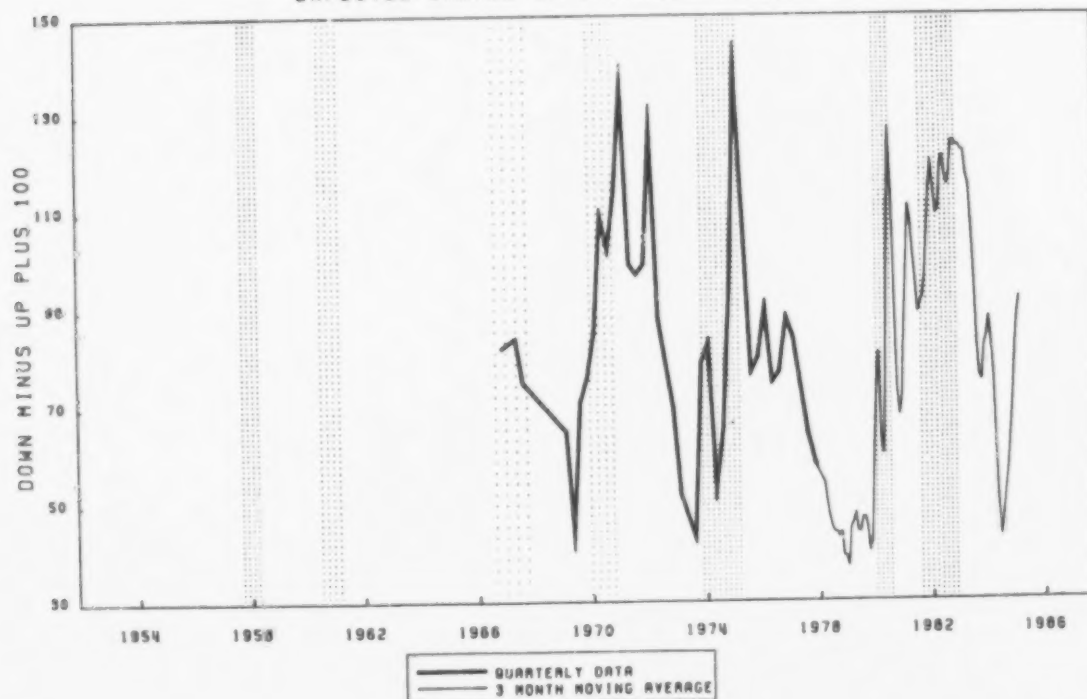


TABLE 21
EXPECTED CHANGE IN INTEREST RATES

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GO UP	42%	45%	68%	66%	64%	58%	55%	52%	45%	44%	37%	36%	35%
STAY THE SAME	38	37	21	25	24	27	29	32	33	31	30	33	37
GO DOWN	16	13	8	8	10	11	13	13	18	23	30	28	26
DK,NA	4	5	3	1	2	4	3	3	4	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

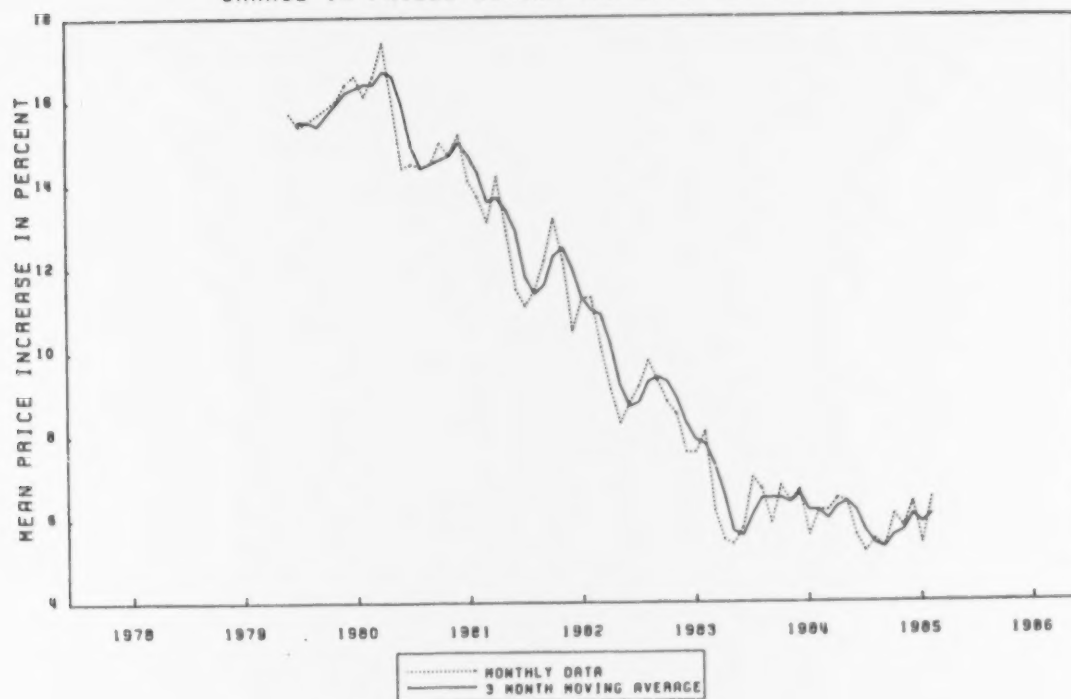


CHART 22 - HISTORICAL SERIES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

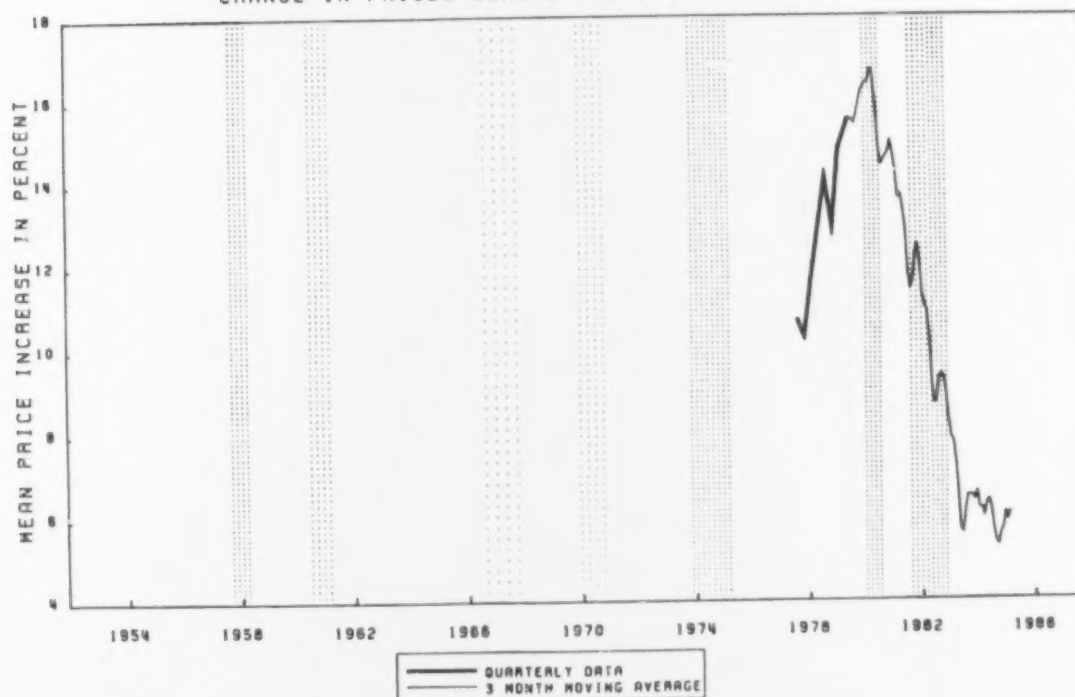


TABLE 22
CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
SAME OR DOWN	23%	23%	22%	23%	22%	27%	29%	29%	28%	27%	24%	25%	25%
GONE UP BY:													
1-2%	9	8	10	10	12	8	10	9	9	11	9	11	11
3-4%	14	16	14	14	17	17	12	16	15	15	14	17	16
5%	17	15	17	17	16	16	18	16	13	14	18	17	13
6-9%	9	10	11	9	8	8	8	7	7	5	6	7	8
10-14%	14	12	9	13	12	11	11	9	11	11	11	10	11
15% or more	9	9	12	10	8	8	7	8	11	10	10	8	11
DK how much up	5	7	5	4	5	4	5	6	5	6	7	5	4
DK, NA	*	*	*	*	*	1	*	*	1	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	6.2	6.2	6.5	6.4	5.6	5.2	5.5	5.3	6.1	5.8	6.4	5.4	6.5
VARIANCE	68	72	75	78	54	48	75	63	84	76	86	66	93
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

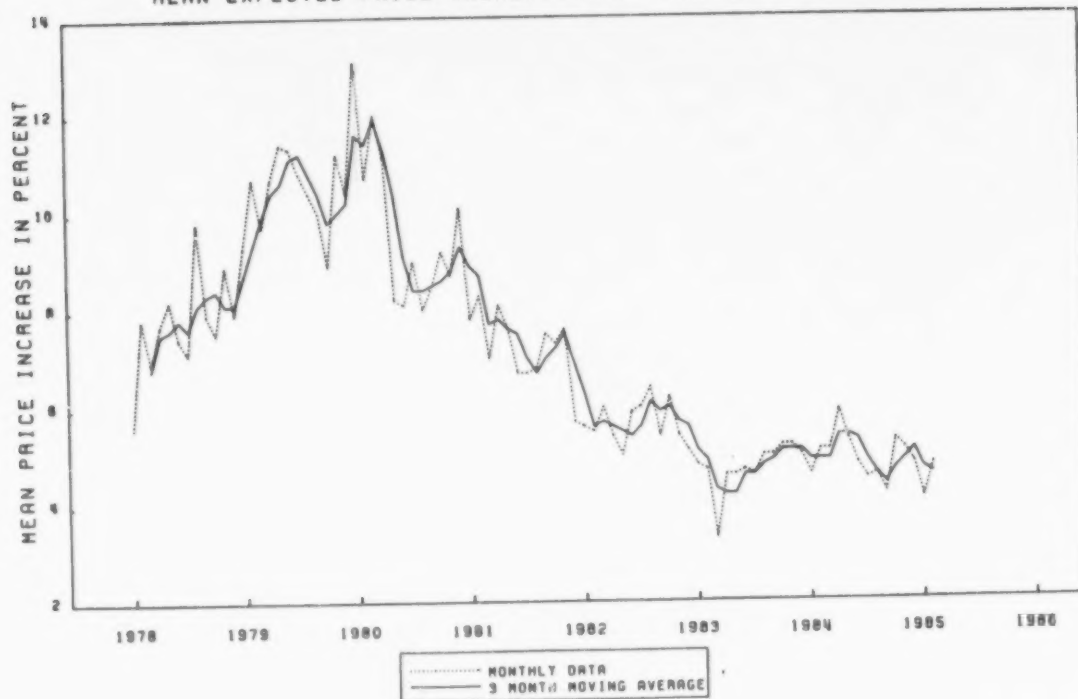


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

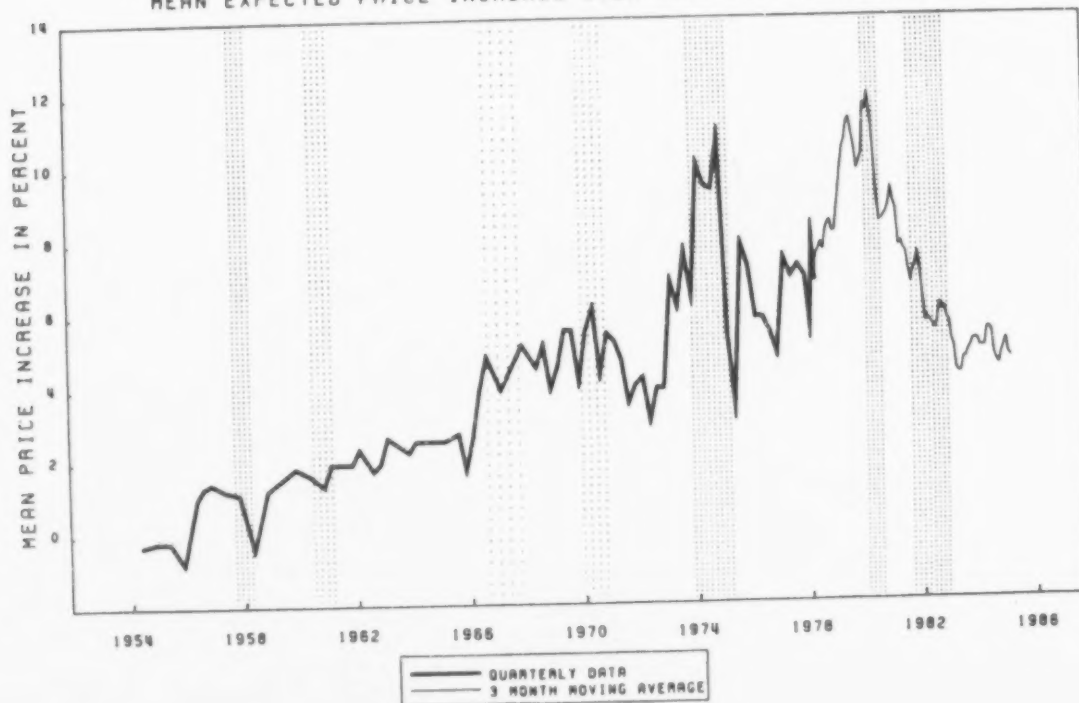


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
SAME OR DOWN	23%	24%	19%	19%	19%	23%	24%	24%	22%	23%	25%	26%	25%
WILL GO UP BY:													
1-2%	14	14	13	15	14	13	18	16	13	14	13	16	14
3-4%	19	16	17	15	16	17	15	19	15	17	17	20	19
5%	19	15	15	20	18	20	18	14	18	18	16	15	15
6-9%	6	10	12	11	11	8	6	8	9	6	9	6	6
10-14%	8	11	11	9	13	8	8	8	10	9	9	7	10
15% or more	6	5	8	6	4	5	5	4	7	7	5	4	6
DK how much up	4	4	3	4	4	3	5	4	4	4	4	4	4
DK,NA	1	1	2	1	1	3	1	3	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.1	5.1	5.9	5.3	4.8	4.5	4.6	4.2	5.3	5.1	4.8	4.1	4.8
VARIANCE	51	55	57	49	27	33	46	36	53	47	44	36	51
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

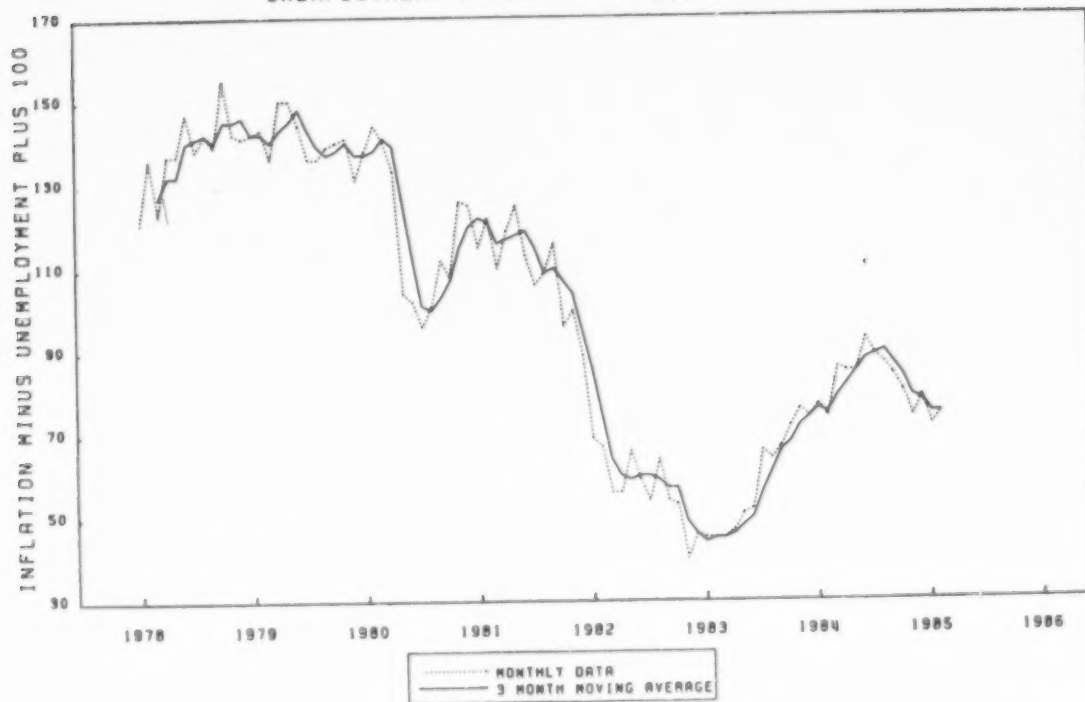


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

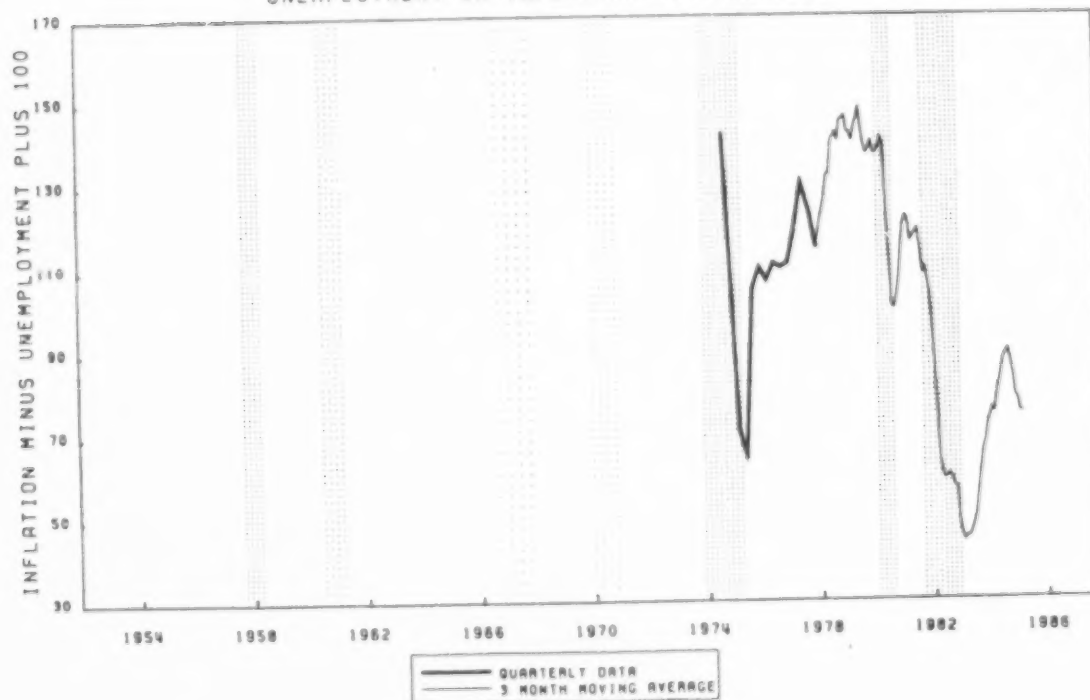


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
UNEMPLOYMENT	59%	52%	53%	54%	51%	51%	52%	54%	55%	59%	56%	60%	58%
BOTH EQUALLY SERIOUS	5	7	7	6	3	7	6	5	8	7	6	6	5
INFLATION	33	38	38	39	44	40	39	38	35	33	35	32	33
DK,NA	3	3	2	1	2	2	3	3	2	1	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

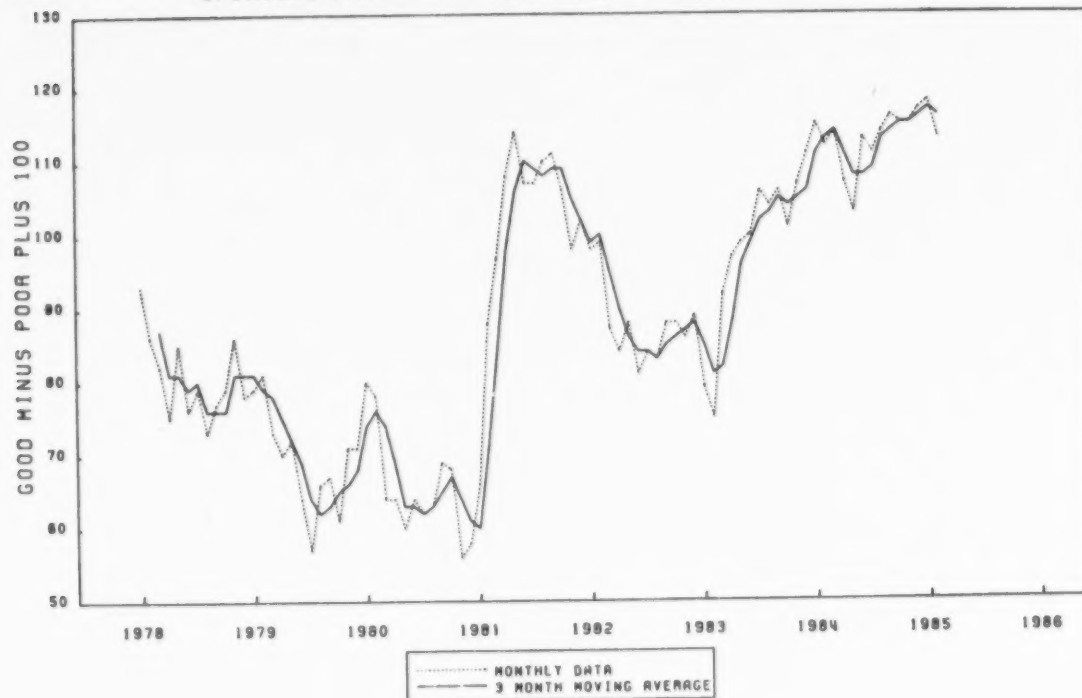


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

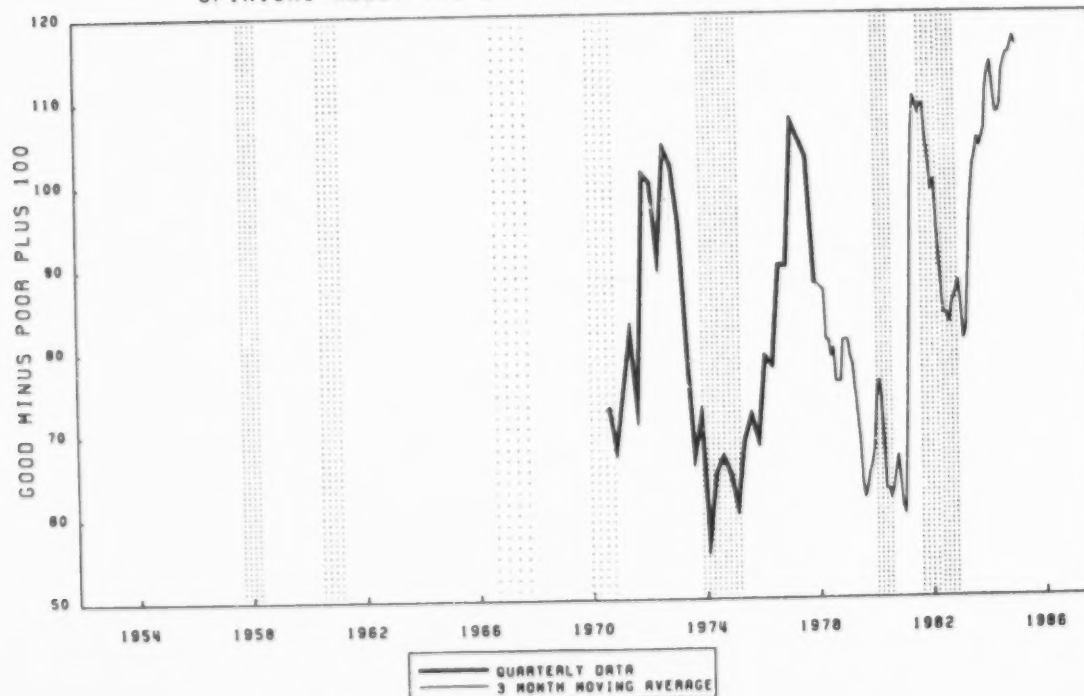


TABLE 25
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
A GOOD JOB	32%	33%	27%	25%	31%	30%	33%	35%	36%	32%	33%	34%	33%
ONLY FAIR	45	47	50	52	49	48	46	44	41	50	49	49	46
A POOR JOB	20	19	20	22	18	19	19	19	21	17	16	16	20
DK,NA	3	1	3	1	2	3	2	2	2	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

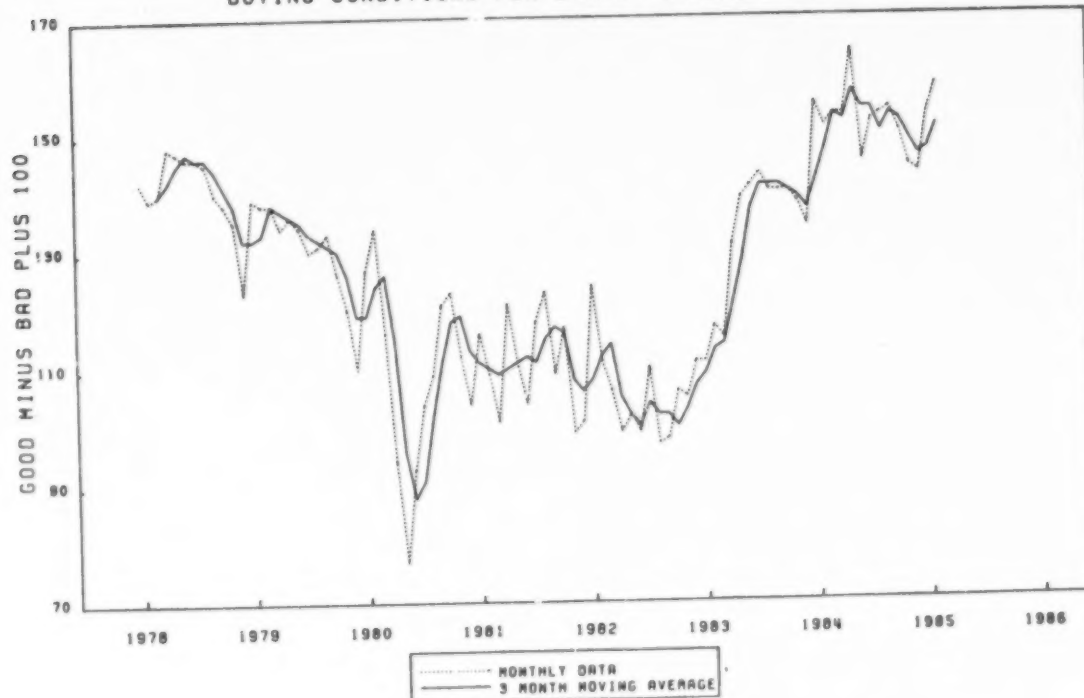


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

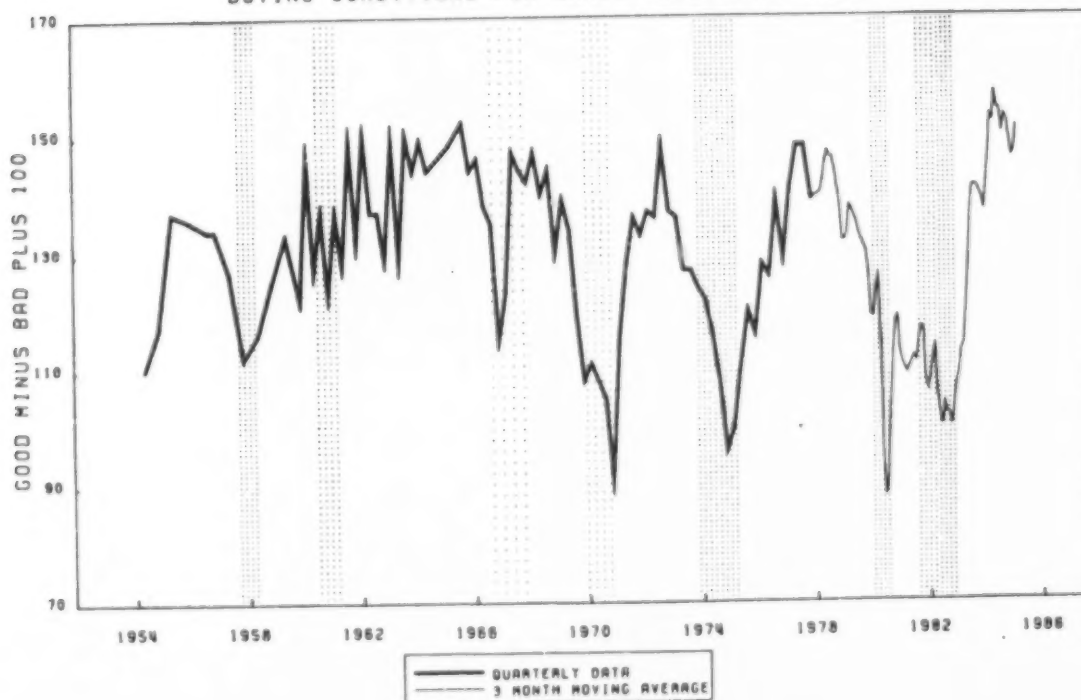


TABLE 26
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIME TO BUY	70%	72%	72%	77%	67%	71%	72%	72%	70%	67%	67%	73%	75%
UNCERTAIN, DEPENDS	11	9	9	10	11	10	9	10	10	10	9	7	8
BAD TIME TO BUY	19	19	19	13	22	19	19	18	20	23	24	20	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

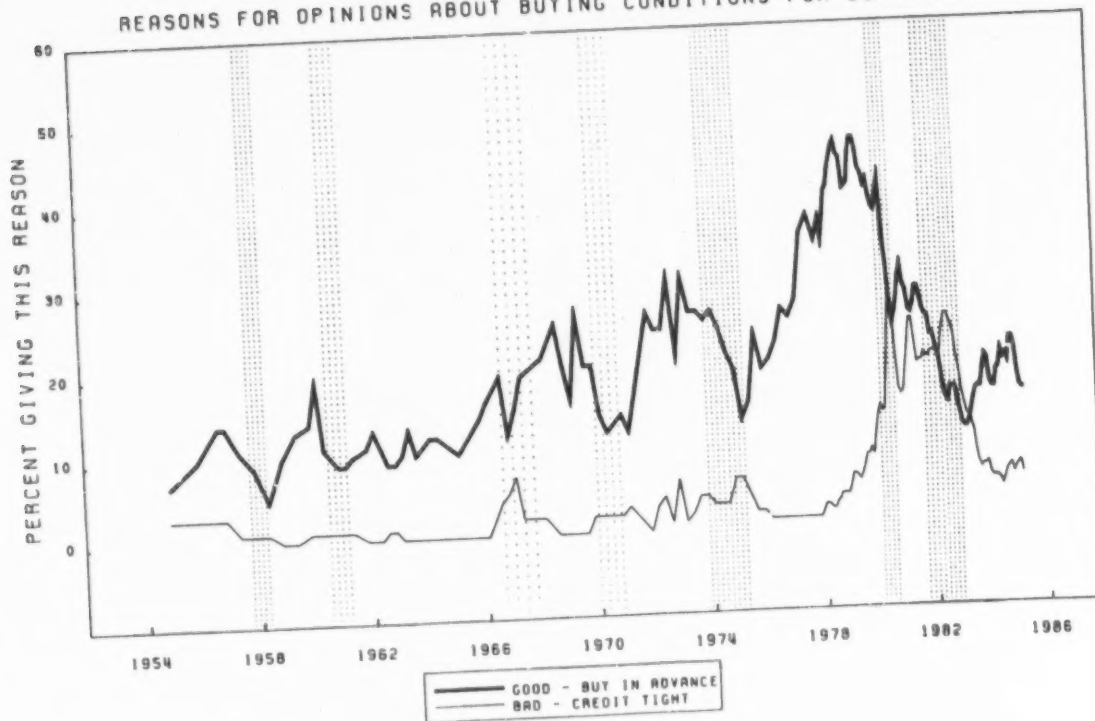


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

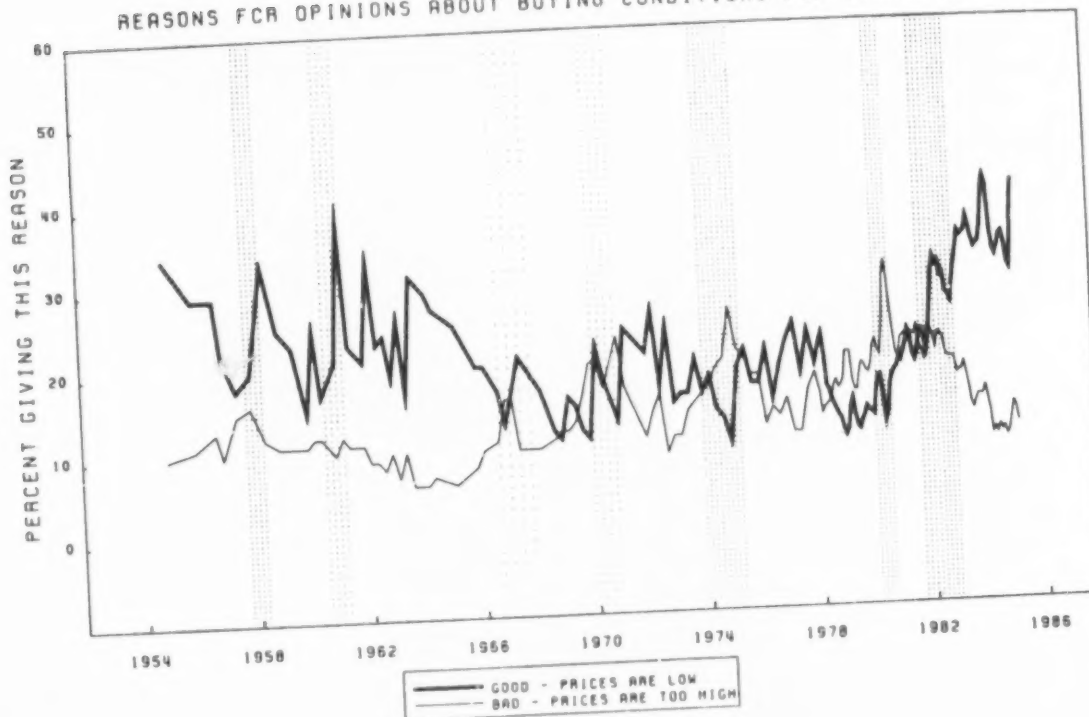


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	39%	35%	30%	31%	33%	33%	35%	34%	29%	28%	32%	45%	43%
Prices won't come down; are going higher	16	19	20	22	16	21	20	24	21	17	15	16	16
Interest rates low; credit is easy	11	10	14	11	11	10	8	8	11	11	10	11	11
BAD TIME TO BUY:													
Prices are high	10	10	12	8	13	10	9	10	12	14	15	10	9
Interest rates are high; credit is tight	7	3	5	5	5	8	6	6	5	8	7	6	4
Lack of purchasing power	7	9	6	5	7	5	7	7	7	7	7	10	6

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

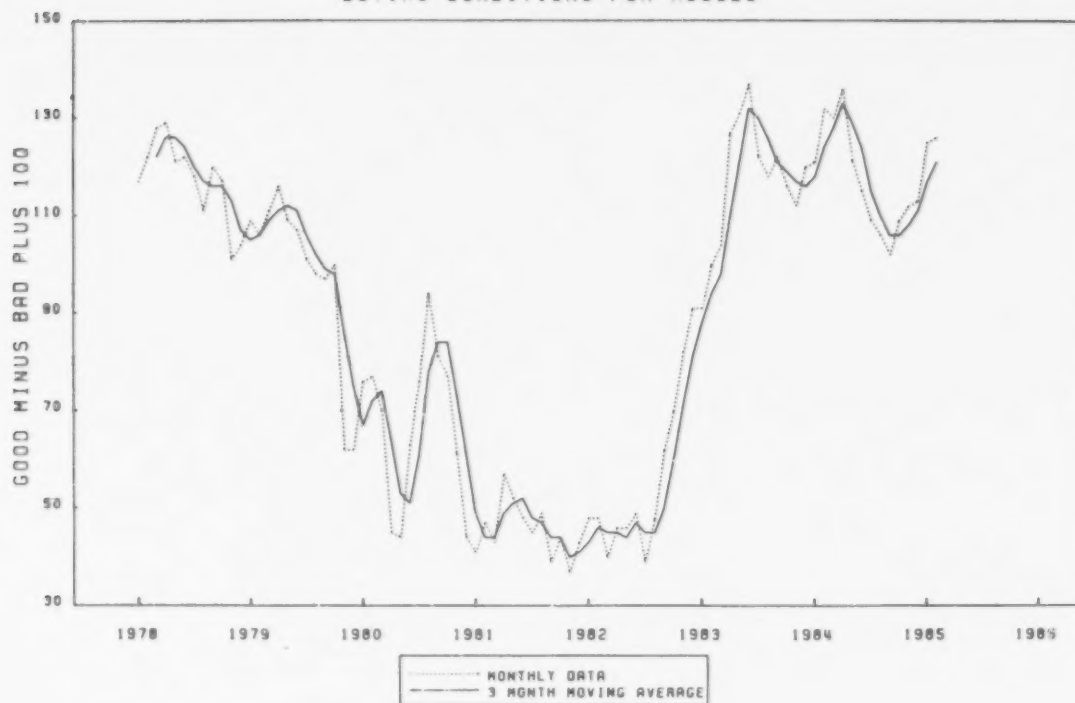


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

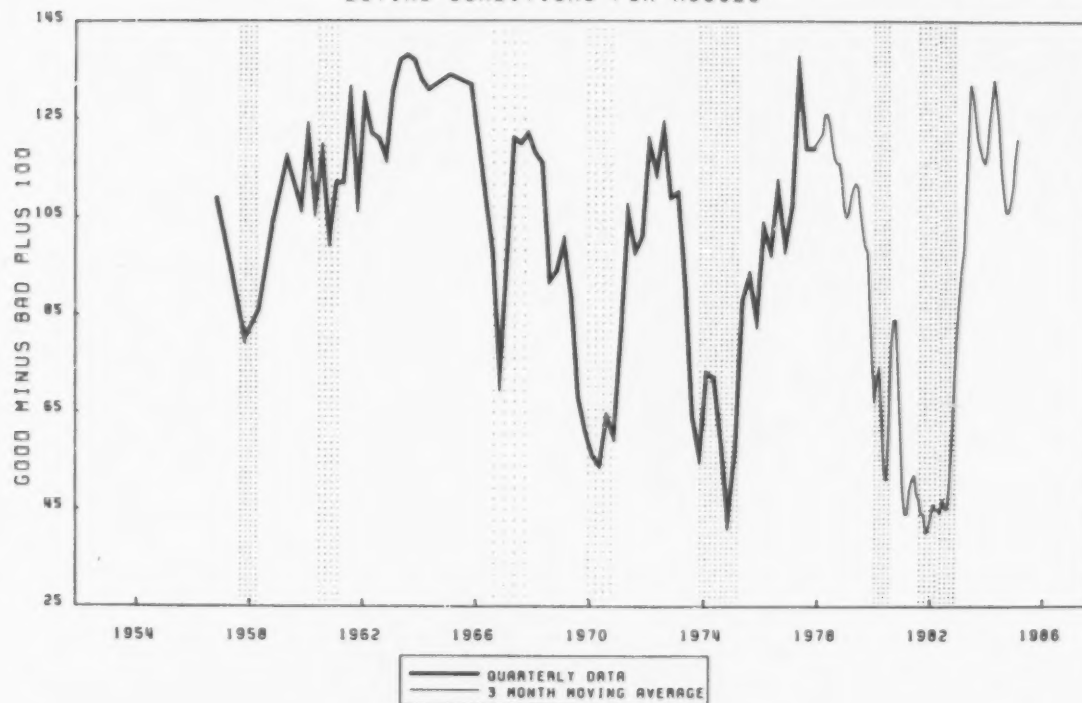


TABLE 28
BUYING CONDITIONS FOR HOUSES

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIME TO BUY	63%	62%	66%	58%	55%	52%	50%	48%	52%	54%	54%	61%	61%
UNCERTAIN, DEPENDS	6	6	4	5	5	5	6	6	5	4	5	3	4
BAD TIME TO BUY	31	32	30	37	40	43	44	46	43	42	41	36	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

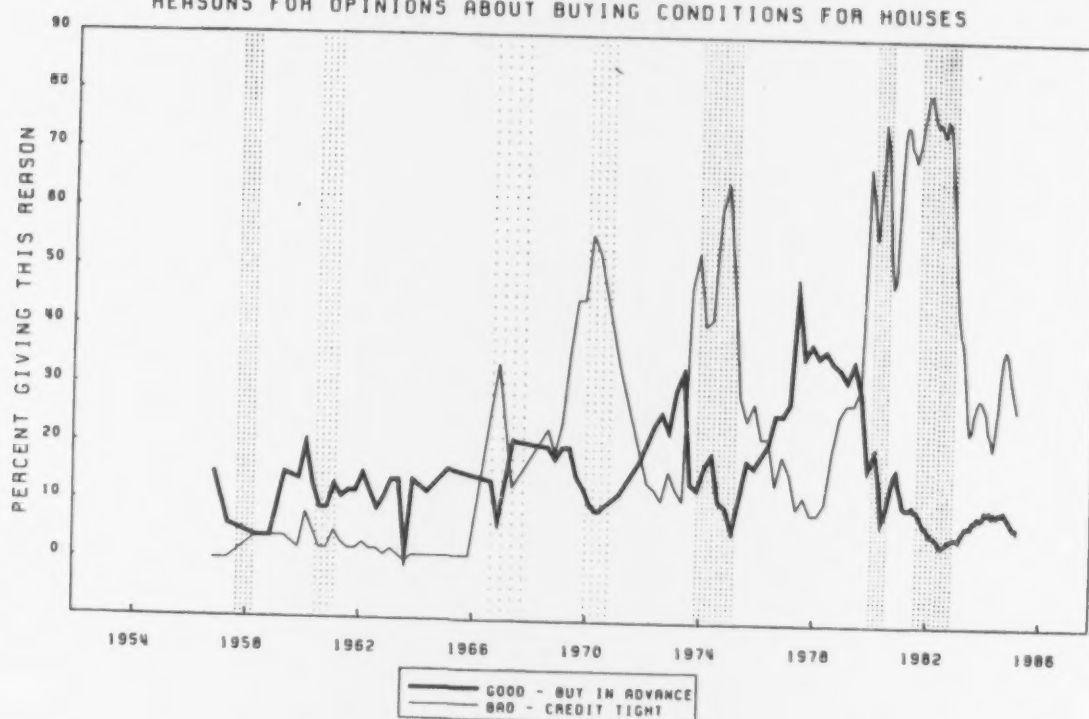


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

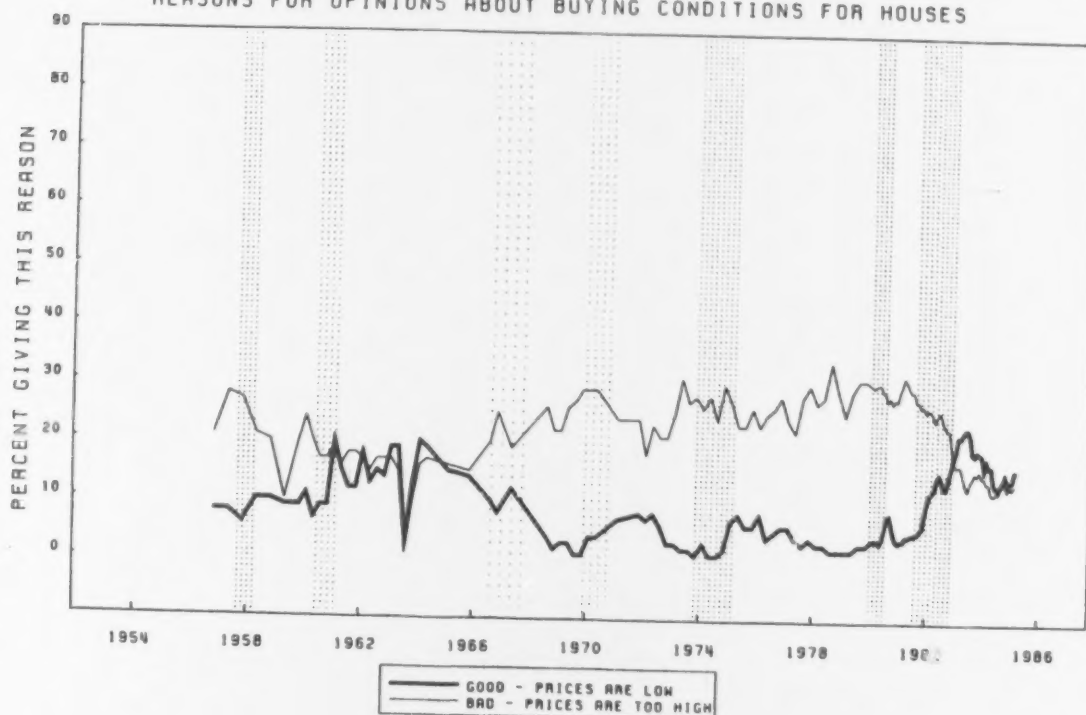


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	15%	15%	12%	13%	13%	15%	14%	15%	11%	17%	15%	16%
Prices won't come down; are going higher	8	10	10	9	9	11	9	10	9	7	8	7	7
Interest rates low; credit is easy	50	49	52	44	38	37	35	34	35	44	38	49	50
Good investment	6	8	6	5	8	5	4	7	5	7	5	6	6
BAD TIME TO BUY:													
Prices are high	13	13	11	12	14	12	16	16	16	12	13	14	14
Interest rates are high; credit is tight	20	22	20	29	33	36	40	37	33	31	30	27	25
Lack of purchasing power	10	11	10	12	10	11	11	11	10	13	13	12	11

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

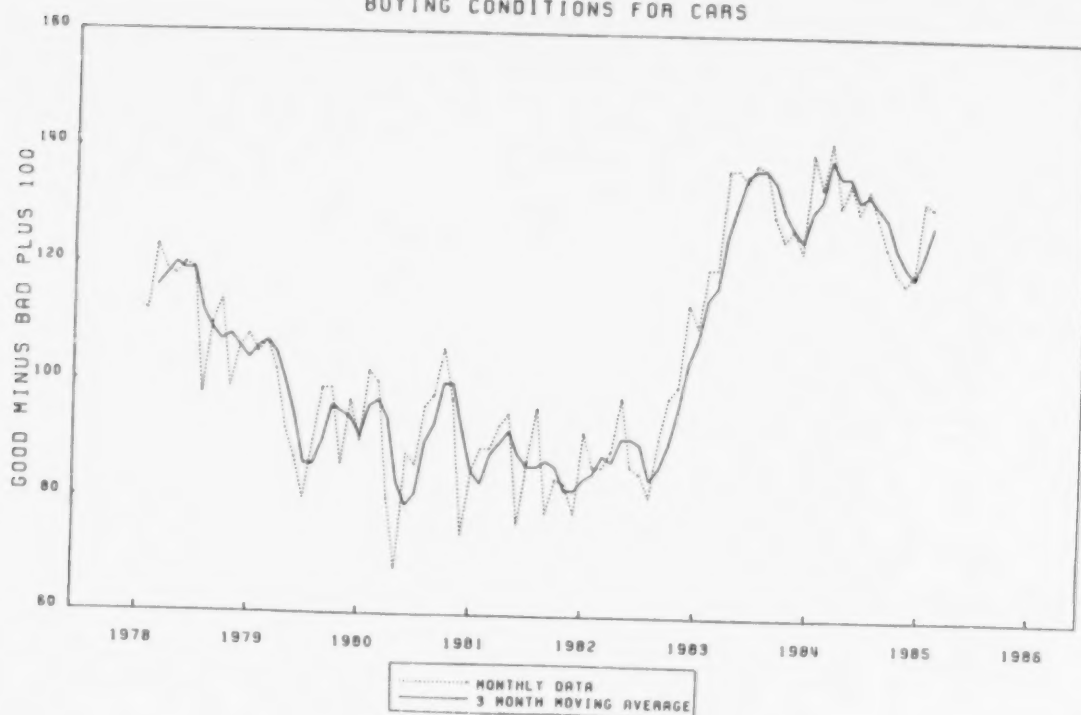


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

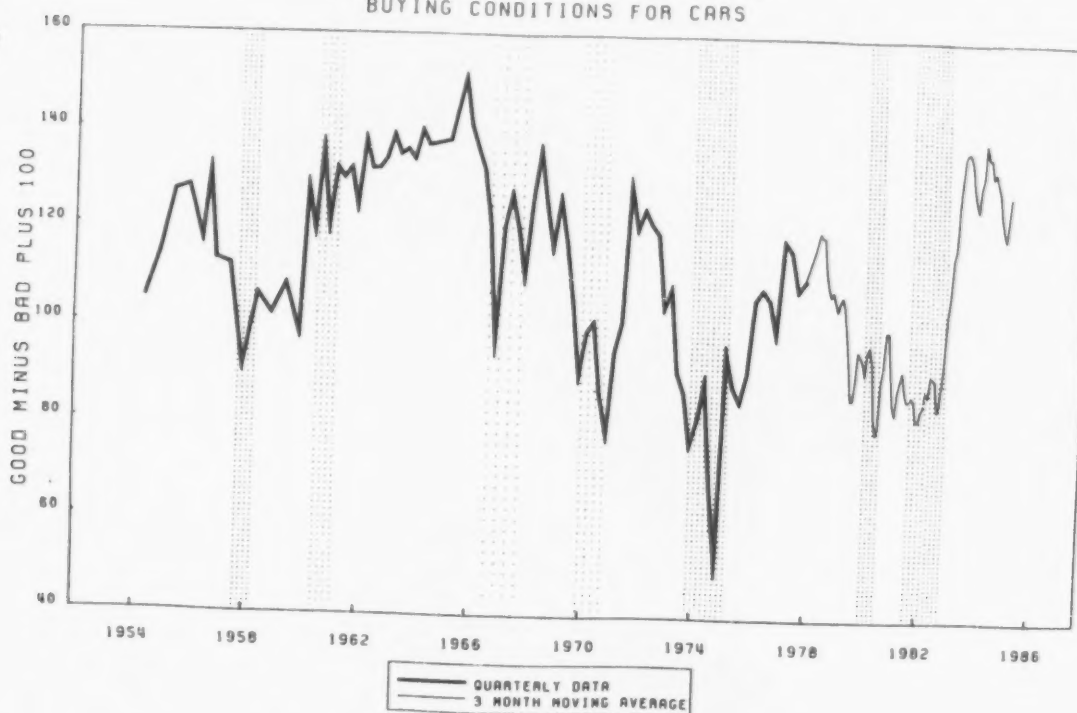


TABLE 30
BUYING CONDITIONS FOR CARS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIME TO BUY	62%	66%	60%	63%	60%	62%	59%	59%	54%	55%	55%	62%	61%
UNCERTAIN; DEPENDS	10	10	11	9	10	10	11	6	12	8	10	8	9
BAD TIME TO BUY	28	24	29	28	30	28	30	35	34	37	35	30	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

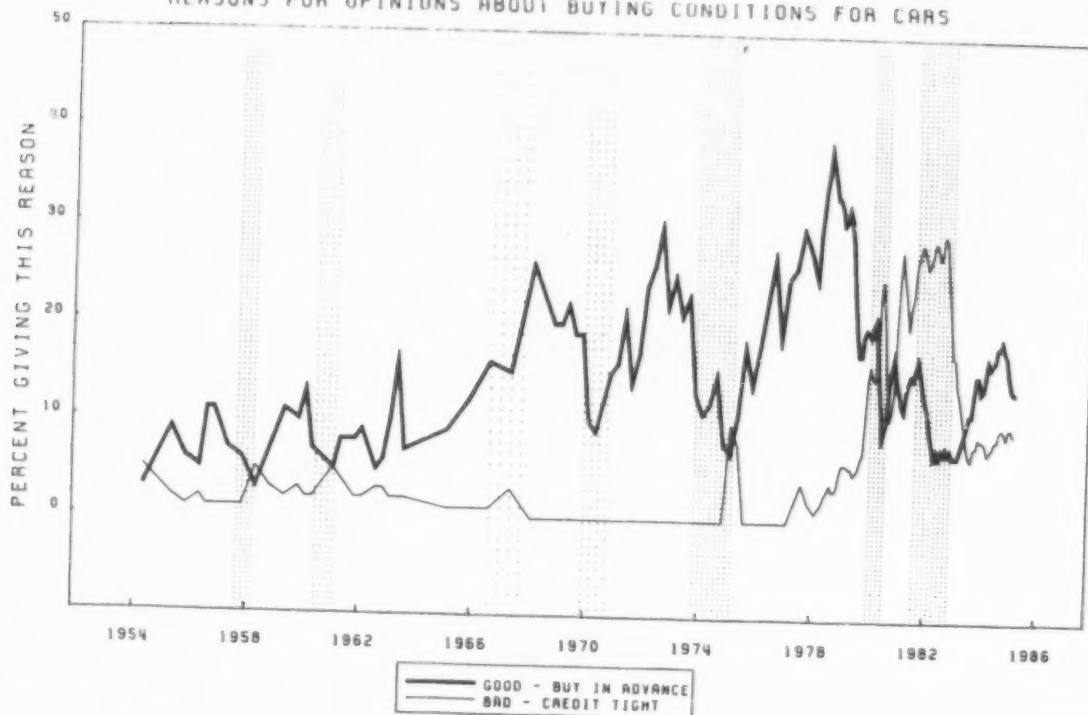


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

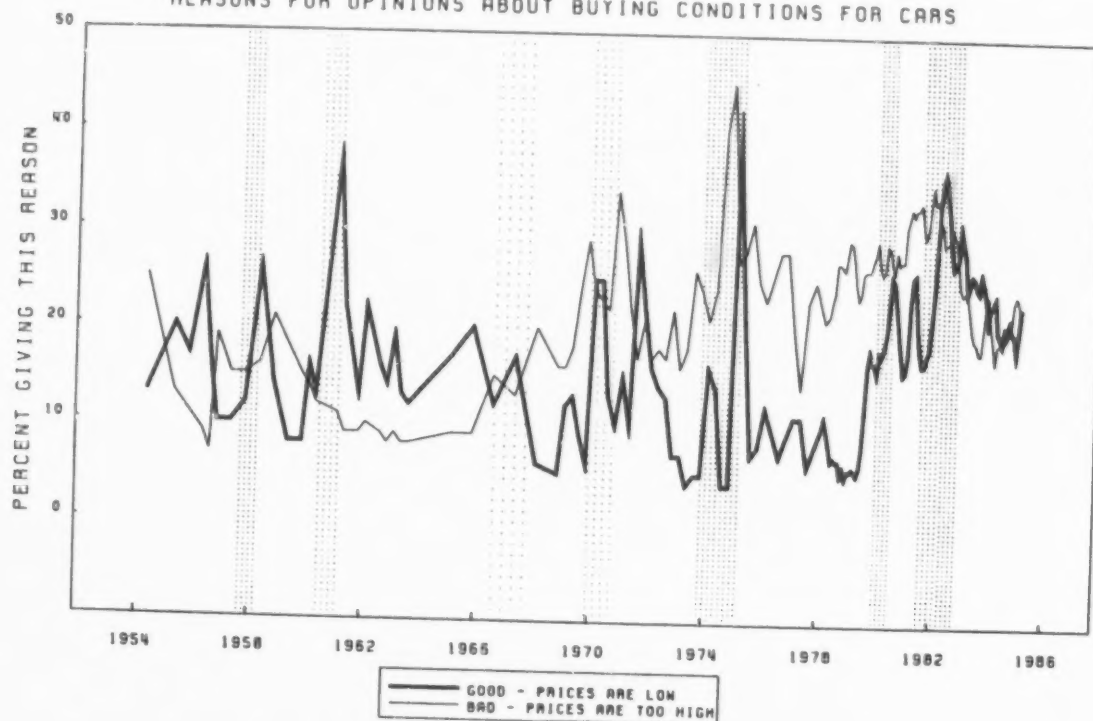


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	23%	16%	20%	21%	21%	19%	24%	18%	18%	18%	24%	26%
Prices won't come down; are going higher	16	17	16	17	18	20	17	20	17	15	14	13	14
Interest rates low; credit is easy	22	22	22	18	18	24	17	15	14	18	15	23	24
New fuel efficient models	2	1	1	3	1	1	2	1	2	*	2	*	1
BAD TIME TO BUY:													
Prices are high	18	17	22	18	20	20	19	22	23	25	24	21	21
Interest rates are high; credit is tight	8	6	9	9	8	9	12	9	8	10	12	8	8
Lack of purchasing power	5	5	4	5	4	4	5	6	6	8	7	7	6
Price of gas; shortages	*	1	*	*	*	*	1	*	*	*	*	*	*
Poor selection; quality	4	4	6	2	2	4	4	3	3	5	4	4	4

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES
PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

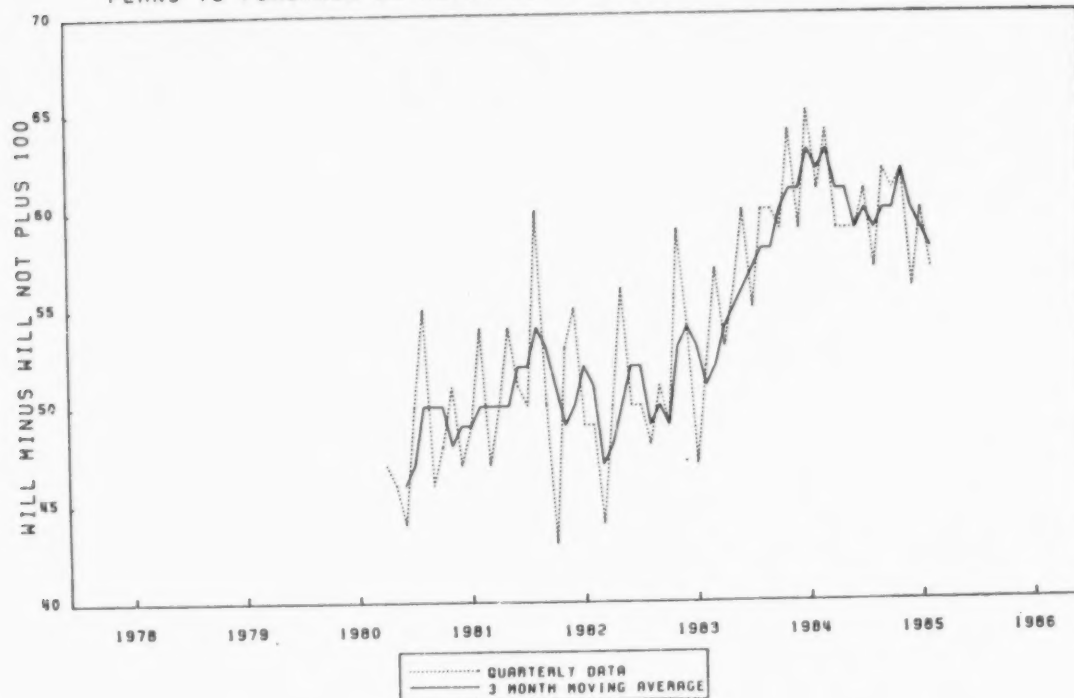


CHART 32 - HISTORICAL SERIES
PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

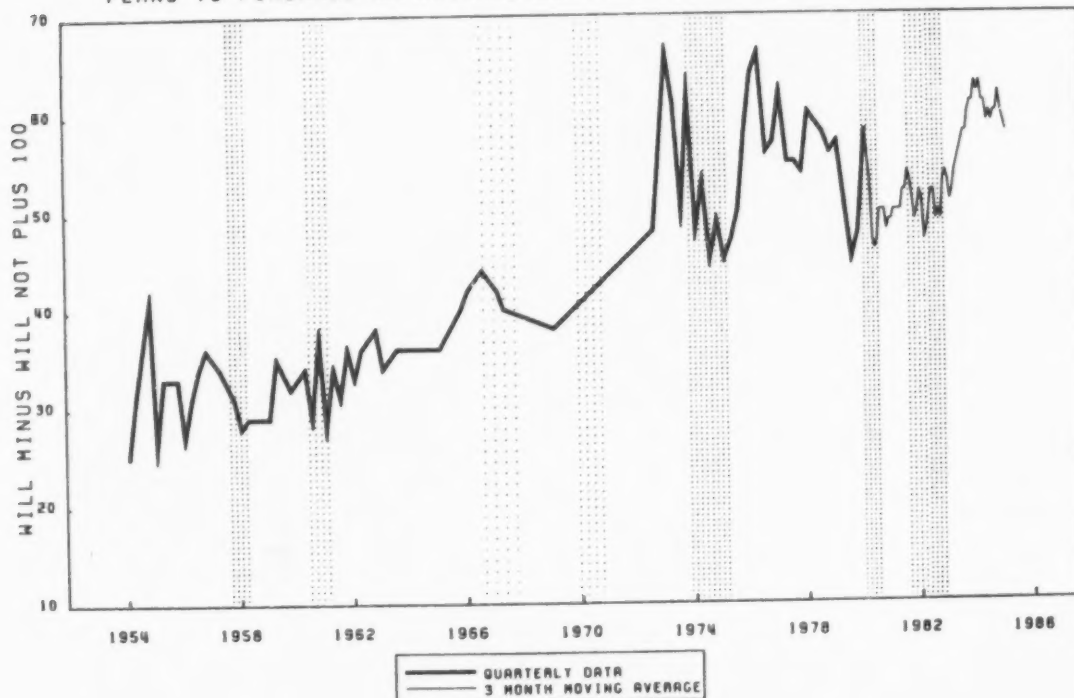


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
PROBABLY WILL BUY	21%	22%	21%	19%	20%	20%	21%	22%	21%	21%	19%	20%	19%
CHANCES ARE EVEN	9	12	6	12	9	9	7	8	8	9	9	9	9
PROBABLY WILL NOT BUY	60	58	62	60	61	59	64	60	60	59	63	60	62
DK,NA	10	8	11	9	10	12	8	10	11	11	9	11	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	687	700	705	690	680	656	693	690	706	710	704	640	655

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33
CURRENT VEHICLE PURCHASE INTENTIONS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	30%	34%	27%	31%	29%	29%	28%	30%	29%	30%	28%	29%	28%
PURCHASE TYPE:													
Buy new	14	16	13	15	16	15	15	14	15	15	13	17	15
Buy used	13	17	12	14	11	12	11	13	12	13	13	11	11
Lease	2	1	1	2	1	2	1	2	2	1	1	1	1
DK,NA	1	*	1	*	1	*	1	1	*	1	1	*	1
PURCHASE TIMING:													
Next 3 months	3	2	7	3	2	7	3	1	6	5	3	5	4
Next 4-6 months	7	10	6	9	8	6	5	8	6	7	6	8	9
Next 7-9 months	8	8	6	7	9	3	4	5	7	7	10	7	8
10 months or more	5	8	4	6	4	7	8	10	4	8	7	5	4
DK,NA	7	6	4	6	6	6	8	6	6	3	2	4	3

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?", "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	60%	58%	62%	60%	61%	59%	64%	60%	60%	59%	63%	60%	62%
PURCHASE TYPE:													
Would buy new	32	32	34	33	36	35	33	34	31	33	34	35	32
Would buy used	26	25	27	26	24	22	29	25	27	25	28	25	28
DK,NA	2	1	1	1	1	2	2	1	2	1	1	*	2
PURCHASE TIMING:													
Less than 2 years	8	7	10	5	7	5	8	5	7	7	7	8	9
2 years	20	19	20	22	21	18	25	21	21	20	23	18	19
3 years	9	9	9	9	8	10	8	11	10	9	10	9	10
4 years or more	17	16	17	18	17	18	15	17	16	17	15	19	17
Indefinite	3	3	1	2	2	3	3	2	1	2	3	2	2
DK,NA	3	4	5	4	6	5	5	4	5	4	5	4	5

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

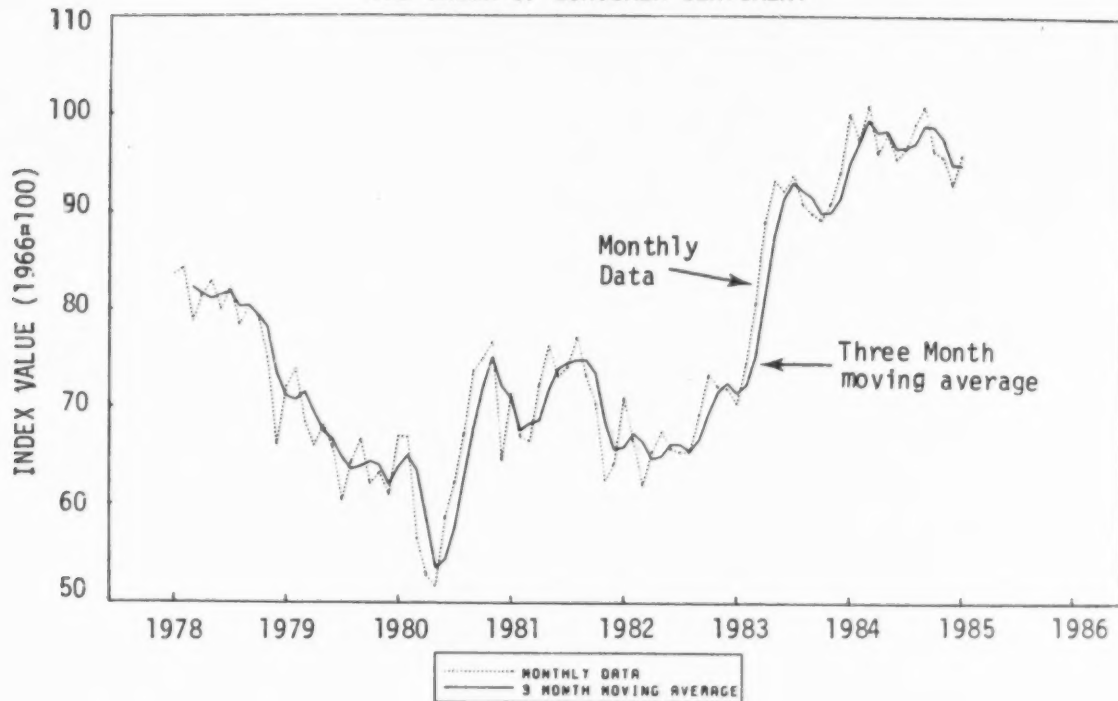
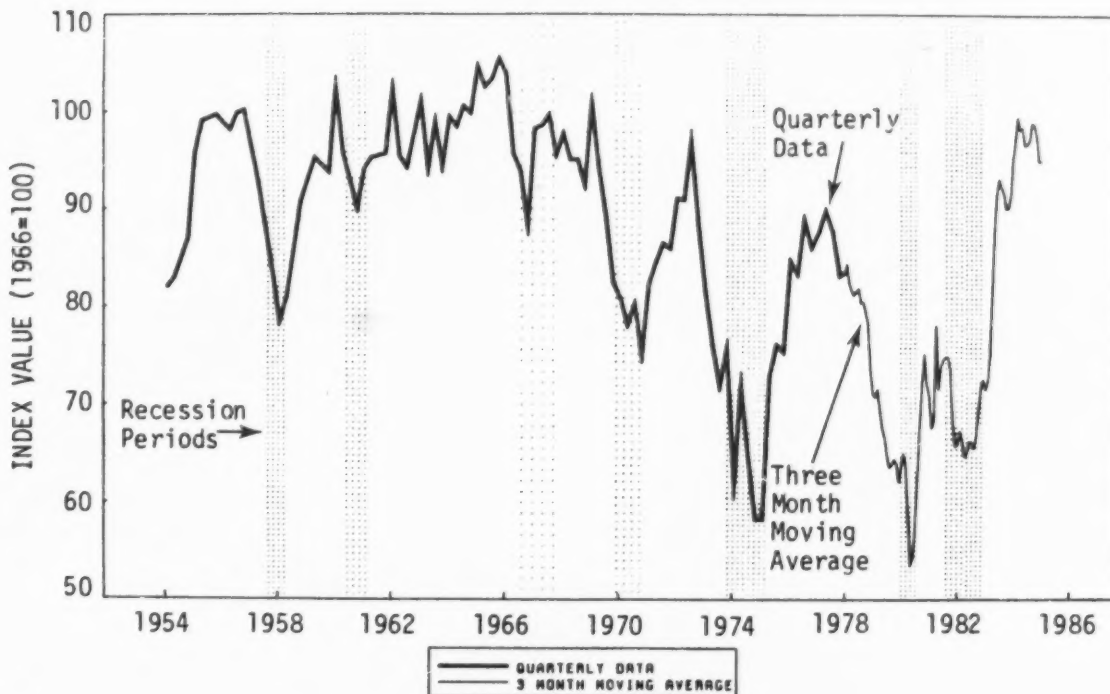


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

- QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.
- MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.
- THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700 ^b	1,400 ^c	2,100 ^d
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

^bAverage size of monthly surveys.

^cAverage size of two monthly surveys.

^dAverage size of three monthly surveys (one quarter).